

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	DOCKET NO. UR-010623
)	DOCKET NO. UR-010706
Complainant,)	
)	ORDER DISMISSING
vs.)	COMPLAINT AND ORDER
)	SUSPENDING TARIFF
US ECOLOGY, INC.,)	REVISIONS; AUTHORIZING
)	TARIFF REVISIONS;
Respondent.)	APPROVING SETTLEMENT
)	AGREEMENT
.....)	

BACKGROUND

1 On April 30, 2001, US Ecology, Inc., (US Ecology) filed with the Commission, a revision to its currently effective Tariff 1 in Docket UR-010623. The revised pages are 1) the Fifteenth Revision of Sheet 1-a, Schedule A, in part, which cancels the Fourteenth Revision of Sheet 1-a, Schedule A, in part, and 2) the Eleventh Revision of Sheet 1-c, which cancels the Tenth Revision of Sheet 1-c. The stated effective date is June 1, 2001.

2 US Ecology failed to file a complete tariff in UR-010623. On May 10, 2001, US Ecology filed the remainder of the Fifteenth Revision of Sheet 1-a, Schedule A, which cancels the remainder of the Fourteenth Revision of Sheet 1-a, and which filed the Fifth Revision of Sheet 1-b, which cancels the Fourth Revision of Sheet 1-b. The Docket number for this second filing is UR-010706. The stated effective date of this second filing is June 10, 2001, with an accompanying LSN request for a June 1, 2001, effective date.

3 US Ecology also proposed to follow conditions set forth in the attached settlement agreement. This settlement agreement contains the identical conditions approved in the Sixth Supplemental Order in Docket UR-950619.

4 The Commission, on May 30, 2001, entered a Complaint and Order Suspending Tariff Revisions pending an investigation concerning the changes and the reasonableness and justness thereof.

FINDINGS

5 (1) US Ecology is a low level radioactive waste disposal company and as such is a public service company subject to the jurisdiction of the Commission.

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is entered into this 30th day of April, 2001, by and between the undersigned parties (collectively referred to as the "Settling Parties"). The purpose of this Settlement Agreement is to settle the matters arising from the filing of US Ecology, Inc. ("US Ecology" or "Company"), to be made on or before May 1, 2001.

BACKGROUND

Each of the Settling Parties participated in the prior rate case involving US Ecology, Inc. under Consolidated Docket Numbers UR-950619 and UR-950620 (collectively the "Prior Docket"). In the Prior Docket, the Settling Parties were participants in the docket and participated in detailed and exhaustive collaboration processes. The result of the collaboration processes was the execution of a stipulation and a settlement agreement, each of which was ultimately accepted by the Washington Utilities and Transportation Commission ("Commission"). The first of these documents addressed the rate design aspects of the case and was accepted by the Commission in its Fifth Supplemental Order in the Prior Docket. The second was in the form of Settlement Agreement on revenue requirement issues. That Settlement Agreement was accepted by the Commission in its Sixth Supplemental Order in the Prior Docket.

The result of the Prior Docket was a Commission order accepting the settlements reached among the Settling Parties (and others) that established a rate design and a revenue requirement that would be in place for a period of six years (ending with calendar year 2001). It was contemplated by the Prior Docket that US Ecology would make a new filing that would determine the plan which would be in place for the years following 2001.

The Settling Parties desire to avoid the high cost and expense of additional detailed collaboratives and other adjudicatory processes and desire to have the matter resolved pursuant to this Settlement Agreement.

WHEREFORE, in consideration of mutual promises and benefits that may be gained therefrom, the Settling Parties

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desire to enter into this Settlement Agreement and present it to the Commission for its consideration.

AGREEMENT

1. Rate Adjustment Mechanism.

In the Prior Docket, the Settling Parties agreed to a rate adjustment mechanism. The Settling Parties desire that the rate adjustment mechanism be continued. For ease of reference, that rate adjustment mechanism is as follows:

Rates for disposal of low-level radioactive waste ("LLRW") at the Richland site will be adjusted each January 1, beginning January 1, 2003, by a rate adjustment mechanism with the following elements:

(a) Inflation Adjustment. The revenue requirement (after exclusion of certain expense items) shall be adjusted by a percentage equal to the change in the Inflation Index during the preceding year. "Inflation Index" shall mean the Implicit Price Deflator for Gross Domestic Product as reported by the U.S. Department of Commerce, Bureau of Economic Analysis. The expense items to be excluded before applying the Inflation Index are: depreciation, rate case expense, amortization of goodwill, leasehold rent, and associated leasehold taxes.

(b) Annual Projections. Rates shall be determined each January on the basis of projections provided by the Company's customers, according to the following procedure. On or about October 15 of each year, the Company shall submit a written request to each of its customers for estimates of LLRW by volume (in cubic feet), numbers of containers and shipments, and average dose rate per container (in millirems per hour) to be disposed by such customers at the site during the following calendar year. For those customers not responding to the request for estimates, the Company shall prepare its own estimate of the LLRW that these customers can be expected to deliver to the site during such calendar year. On the basis of the estimates prepared by the Company and its customers, the Company shall calculate total projected LLRW for the calendar year. Estimates of volumes which meet the requirements of RCW 81.108.020(3) as "extraordinary" shall be included in the calculation weighted at 51.5% of such volume estimates. Estimates of decommissioning waste

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volumes shall be included in the calculation weighted at 80% of such volume estimates; provided, however, that the quantities set forth in such estimates must satisfy the requirements of paragraph 2(e) below.

(c) Use of "Safety Margin." In determining rates, a "safety margin" shall be included by basing rates on 80% of projected amounts; provided, however, that:

(1) The safety margin shall not be applied to the site availability charge component, and

(2) Application of the safety margin to the dose rate charge shall be effected by dividing the revenue requirement for the dose rate component by 80% rather than by basing rates on 80% of projected amounts.

(d) Deferred Accounting. Deferred accounting shall be used to track over and under-recoveries, calculated separately with respect to each rate component, as follows:

(1) Over-recoveries shall be refunded promptly (rather than carried forward), with refund amounts determined according to actual deliveries during the year.

(2) Under-recoveries shall be carried forward and added to the revenue requirement in a subsequent year.

(3) An individual customer may cease payment of the dose rate component once its total payments equal the portion of the total revenue requirement allocated to the dose rate component.

(e) Nuclear Decommissioning Waste. For nuclear decommissioning waste, the volume charge shall be 80% of the rate that would otherwise apply; provided, however, that such waste must satisfy the requirements of RCW 81.108.020(3) as to volume.

2. Rate Design.

In the Prior Docket, the Settling Parties reached agreement on the rate design to be used for LLRW, and

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desire that that rate design continue. For ease of reference, the agreed upon rate design is as follows:

(a) General. The Settling Parties agree that rates will be set on the basis of a rate design with the following rate components and percentages of revenue requirement responsibility:

(1) Site availability charge	22.0%
(2) Volume	31.6%
(3) Shipments	10.7%
(4) Containers	21.5%
(5) Activity as measured by dose rate at container surface	14.2%

(b) Structure of Site Availability Charge. The site availability charge shall be recovered from holders of site use permits issued by the Department of Ecology according to the rate structure used in the Prior Docket, provided, however, that:

(1) Educational research institutions which generate LLRW for research, medical or educational purposes shall be placed in a rate block for the site availability charge which is one (1) lower than what would otherwise apply through application of the block criteria shown on Schedule 1. "Educational research institution" means a state or independent, not-for-profit, post-secondary educational institution.

(2) As to LLRW which arises as residual or secondary waste from brokers' provision of compaction or processing services for others, if application of the block criteria shown on Schedule 1 would place a broker in a rate block for the site availability charge which is greater than Block No. 7, such broker shall be placed in the rate block which is the greater of (i) Block No. 7, or (ii) the block which is two (2) lower than what would otherwise apply through application of the block criteria shown on Schedule 1. "Brokers" are those customers holding the "broker" classification of site use permits issued by the Department of Ecology.

(3) If necessary due to changes in the mix or number of customers, the rate schedule for the site availability charge shall be revised annually. In making such revisions, the relationships between a particular block's rate and the rates for the other blocks shall be preserved; provided, however, that:

(i) the annual charge per generator for any block shall not in any event increase by a percentage greater than two (2) times the percentage increase in the Inflation Index during the preceding year; and

(ii) the maximum annual charge per generator shall not in any event exceed an amount equal to 2.4% of the revenue requirement for the Richland site, which amount shall be adjusted annually beginning January 1, 2003 by a percentage equal to the change in the Inflation Index during the preceding year.

Any under-recovery in the site availability charge revenue requirement in any year as a result of the application of the above limitations shall be assigned to the other rate components (volumes, shipments, containers and activity) proportionate to the percentages of revenue requirement responsibility set forth in (2) through (5) of paragraph 2(a). Such reassignment shall not continue in years thereafter unless determined to be necessary upon the recalculation of the above limitations for such years.

(c) Nuclear Decommissioning Waste. For nuclear decommissioning waste, the volume charge shall be 80% of the rate that would otherwise apply; provided, however, that such waste must satisfy the requirements of RCW 81.108.020(3) as to volume.

(d) Structure of Dose Rate Charge. The dose rate component of the revenue requirement shall be collected according to the rate structure currently in place. In making such revisions, the relationships between a particular block's rate and the rates for the other blocks shall be preserved.

3. Ratesetting Methodology.

(a) Limitation of Issues. The Settling Parties agree that the Commission's determinations made in the Prior Docket (and earlier orders) should apply. In particular, that:

(1) the appropriate ratesetting methodology for determining the revenue requirement at the Richland site is an operating ratio approach, and

(2) the appropriate operating ratio to be allowed is 71%, applied as shown on page 27 of the 1992 Rate Case Order (Docket No. TG-920234), will not be relitigated for the term of this Settlement Agreement. The application of a 71% operating ratio in the manner set forth in paragraph 3(b) below will result in rates for the Company's Richland site that are fair, just, reasonable and sufficient.

(b) Application of Operating Ratio. For purposes of applying the operating ratio, the operating expenses of the Richland site shall not include:

(1) depreciation and amortizations (in accordance with the methodology set forth in the 1992 Rate Case Order), and

(2) amortization of rate case expenses incurred in this proceeding. Moreover, in calculating the revenue requirement for the Richland site, the Company shall not seek recovery of a return on working capital, inventory or unamortized balances.

4. NORM/NARM Waste¹ Disposal Revenues.

(a) Ratemaking Treatment. So long as the site continues to receive NORM/NARM waste for disposal in LLRW

¹ "NORM" means naturally occurring radioactive materials, while "NARM" means naturally occurring and accelerator produced radioactive materials. This waste is not classified as LLRW.

trenches,² revenues from disposal of NORM/NARM waste shall be credited in part against the revenue requirement for the Richland site, in the following manner. At the conclusion of each calendar year, 50% of net proceeds (disposal revenue less marketing costs and other expenses incurred by the Company to obtain and deliver such wastes to the disposal facility) shall be refunded to customers, allocated according to the rate classifications set forth in paragraph 2(a) above. For purposes of setting rates at the beginning of each year, no projection will be made of NORM/NARM volumes.

(b) Audits. The Company shall itemize and substantiate the (1) revenues derived from disposal of NORM/NARM waste, and (2) the costs incurred by the Company to obtain such wastes. Staff may perform such audit of the books and records of the Company as may be necessary to verify such amounts.

5. Moratorium on General Rate Case Filing.

Except for the rate changes implementing the rate adjustment mechanism authorized in Section 1 above and adjustments authorized by RCW 81.108.050(4)(a), the Company shall not seek any general increase in rates that would become effective prior to January 1, 2008; provided, however, that in extraordinary circumstances, the Company may submit a rate filing seeking a general increase in rates. "Extraordinary circumstances" shall mean the Company reasonably believes its financial condition is such that emergency rate relief would be warranted under the criteria enunciated by the Commission in WUTC v. Pacific Northwest Bell Telephone Company, Cause No. U-72-30, Second Supplemental Order (October 1972) or involves unanticipated expenditures as described in Section 8.

² If NORM/NARM volumes are such that the Company establishes a separate operation for such functions—including the use of separate trenches—the joint costs shared between the LLRW and NORM/NARM operations would be minimized. Any remaining joint costs would be allocated between regulated and unregulated operations on the basis of a fully distributed cost allocation study.

6. Other Ratemaking Matters.

(a) Application of the Inflation Adjustment. The "inflation adjustment" required by RCW 81.108.020(6) shall be implemented by adjusting rates on January 1 of each year by a percentage equal to the change in the Inflation Index for the preceding calendar year.

(b) Application of the Volume Adjustment. The "volume adjustment" required by RCW 81.108.020(11) shall be implemented by defining "material changes in volumes" to mean a change of one hundred percent (100%) or more. The volume adjustment shall not, in any event, affect the calculation of rates under Section 1 of this Settlement Agreement.

7. Revenue Requirement.

The Company's filing in this proceeding will request a revenue requirement of \$5,173,239.00 for the calendar year beginning January 1, 2002. The Settling Parties agree that the revenue requirement, which represents a reduction in revenue requirement of 16.8% from the preliminary 2001 revenue requirement as filed with the Commission, should be adopted by the Commission as the revenue requirement for the Company which is fair, just, reasonable and sufficient.

8. Unanticipated Expenditures.

The revenue requirement supported by the Settling Parties does not include costs associated with an investigation under the Resource Conservation and Recovery Act of 1976 ("RCRA").³ Nor does it include costs which may be imposed by local, state or federal agencies with jurisdiction over the activity of the Company by order or regulation. The Settling Parties agree that the Company may submit a separate rate filing or filings to recover these costs once they become certain as to amount and timing, and that such a filing or filings is not contrary to the moratorium provisions of Section 5 of the Settlement Agreement. Such filing(s) would relate exclusively to the recovery in rates of expenditures incurred by the Company in connection with the investigation to be performed as a

³ In the past, these costs have been recovered from the site closure fund. It is anticipated, but not guaranteed, that future investigation costs will also be recovered from that fund or similar fund.

result of the Richland site's inclusion in a site investigation(s) or as otherwise required as a condition of the facility's license or closure plan or as imposed by regulation or order of a local, state or federal agency with jurisdiction over the Company's activities. Commission Staff and Intervenors reserve the right in that filing to dispute the recoverability of these expenditures in rates.

9. Term.

This Settlement Agreement shall be effective until January 1, 2008.

10. Miscellaneous Provisions.

(a) No Precedent. The Settling Parties enter into this Settlement Agreement to avoid further expense, inconvenience, and delay and to dispose of litigation. By executing this Settlement Agreement, no Settling Party shall be deemed to have accepted or consented to the facts, principles, methods or theories employed in arriving at such a Settlement Agreement, nor shall any Settling Party be deemed to have agreed that such a Settlement Agreement is appropriate for resolving issues in any other proceeding.

(b) Binding on Settling Parties. This Settlement Agreement is offered in this proceeding as the joint, exclusive proposal of the Settling Parties with respect to the issues set forth herein. The Settling Parties have negotiated this Settlement Agreement as an integrated document, and therefore recommend that the Commission accept this Settlement Agreement in its entirety.

(c) Procedure. The Settling Parties shall cooperate in submitting this Settlement Agreement promptly to the Commission for acceptance. In the event the Commission reserves ruling on the Settlement Agreement and proceeds with consideration of other issues in this general rate case, the Settling Parties agree to support this Settlement Agreement to achieve a result on the merits in the proceeding consistent with the terms and underlying intent of this Settlement Agreement, and will not offer any competing or alternative proposals with respect to the issues set forth herein. If the Commission rejects all or any material portion of this Settlement Agreement, each Settling Party reserves the right, upon written notice to

the Commission and all Settling Parties within fifteen (15) days of the date of the Commission's order, to withdraw from the Settlement Agreement, whereupon the Settling Parties will not be bound by any position in the Settlement Agreement.

(d) Authority. Each Settling Party represents that it is authorized to enter into this Settlement Agreement and that the obligations such Settling Party undertakes in this Settlement Agreement and such exhibits are valid, lawful, binding and enforceable obligations and within the authority of such Settling Party to undertake. Each Settling Party represents that all necessary approvals in respect to its authority to execute this Settlement Agreement and such exhibits have been obtained.

(e) Execution. This Settlement Agreement may be executed by the Settling Parties in several counterparts and as executed shall constitute one agreement.

(f) Necessary Actions. Each Settling Party shall take all actions necessary and appropriate to enable it to carry out this Settlement Agreement.

(g) Compliance. The complaint procedures provided in WAC 480-92-090 shall apply with respect to the Company's compliance with this Settlement Agreement.

SETTLING PARTIES:

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SETTLING PARTIES:

FRAMATOME ANP RICHLAND, INC.

By: A. S. Koehler

Its: Manager, Waste Management

2101 Horn Rapids Road
Richland, WA 99352-0130

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SETTLING PARTIES:

ENERGY NORTHWEST

By: *[Signature]* 3-12-2001

Its: Assistant General Counsel

Mail Drop PE-12 1396
P.O. Box 968
Richland, WA 99352-0968

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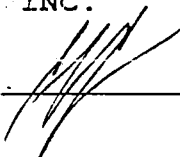
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SETTLING PARTIES:

ATG, INC.

By:  3-7-01

Its: Curt Cannon Director of Regulatory Compliance.

2025 Battelle Blvd.
Richland, WA 99352-0969

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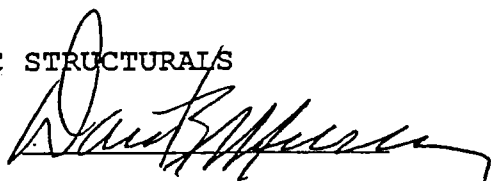
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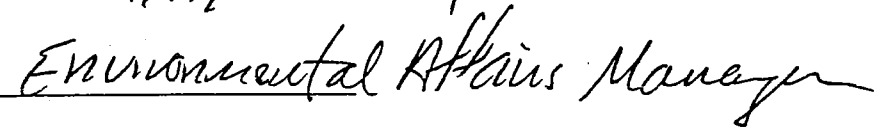
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SETTLING PARTIES:

PCC STRUCTURALS

By: 

Its: Environmental Affairs Manager 

4600 SE Harney Drive
Portland, OR 97206-0898

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SETTLING PARTIES:

ENVIRONMENTAL MANAGEMENT & CONTROL

By: Thomas A. Gray

Its: PRESIDENT

3106 South Faith Home Road
Turlock, CA 95380-9365

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SETTLING PARTIES:

PORTLAND GENERAL ELECTRIC

By: 

Its: VICE PRESIDENT, POWER SUPPLY / GENERATION

71760 Columbia River Highway
Rainier, OR 87048

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SETTLING PARTIES:

US ECOLOGY, INC.

By: Thomas R. Hays

Its: Vice President

P.O. Box 638
Richland, WA 99352

FIRST AMENDMENT TO SETTLEMENT AGREEMENT

This is the First Amendment ("Amendment") to the Settlement Agreement by and between US Ecology, Inc. ("US Ecology") and the parties designated in the Settlement Agreement as the Settling Parties.

The purpose of this First Amendment is to set forth corrections to items that were inadvertently omitted in the development of the Settlement Agreement. To accomplish this goal, the Settling Parties and US Ecology hereby agree as follows:

- 1. In Paragraph 1(b) last line, change "paragraph 2(e)" to "paragraph 2(c)."

- 2. At the end of Paragraph 1. Rate Adjustment Mechanism (c), add the following:

The sample calculation attached as Schedule 1 to Exhibit A (see line 42 of Sheet 1) illustrates the application of the safety margin.

- 3. At the end of Paragraph 1. Rate Adjustment Mechanism (d), add the following:

The sample calculation attached as Schedule 1 to Exhibit A (see lines 4-18 of Sheet 1) illustrates the operation of deferred accounting.

- 4. At the end of Paragraph 2. Rate Design (a), delete the following:

provided, however, that the determination of the activity rate component is subject to the provisions of paragraph (b) below.

- 5. In Paragraph 2. Rate Design (b) (1) and (2), change "Schedule 1" to "Schedule 2" and add "of Exhibit A" after each reference.

- 6. At the end of Paragraph 2. Rate Design (d), add the following:

See Schedule 3 of Exhibit A for the current rate structure.

- 7. At the end of Paragraph 6(a), add "in accordance with Paragraph 1(a)."
- 8. Add new Section 6. Other Ratemaking Matters (c), to read as follows:

True-up of Current Rates. The 2001 rates will be trued-up pursuant to the terms of settlement agreements applicable to 2001 ratemaking, even though those true-ups may occur in 2002.

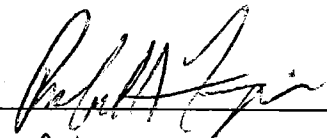
- 9. At the end of Paragraph 8 add the sentence:

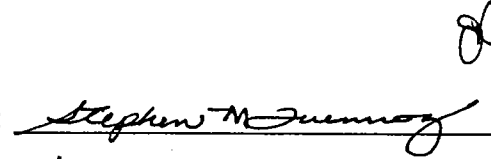
The Company agrees to promptly inform customers of any potential expenditure that may cause the Company to make such a filing.

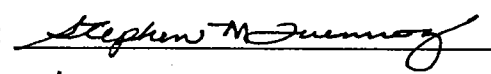
- 10. In all other respects the Settlement Agreement remains in full force and effect.
- 11. This First Amendment shall be deemed to be effective as of the date of the Settlement Agreement.

US ECOLOGY

PORTLAND GENERAL ELECTRIC

By: 
 Its: Attorney



By: 
 Its: VICE PRESIDENT, Power Supply/GENERATION
 71760 Columbia River Highway
 Rainier, OR 87048

US Ecology, Inc.
Revised Final Calculation of 2001 Rates

	Preliminary Calculations	Site Availability Charge (SAC)	Volume	Shipments	Containers	Dose Rate	TOTAL
1. Allocators for 2000		22.0%	31.6%	10.7%	21.5%	14.2%	100.0%
2. Revenue requirement for 2000, before deferrals from 1999		\$ 1,308,884	\$ 1,880,033	\$ 636,594	\$ 1,279,137	\$ 844,825	\$ 5,949,473
3. Revenue requirement by rate component for 2000, before deferrals							5,949,473
4. Deferrals from 1999, to be added to 2000 revenue requirement		(281,472)	117,808	39,891	80,154	43,619	-
5. Effect of SAC reallocation in 2000		1,027,412	1,997,841	676,485	1,359,291	888,444	5,949,473
6. Revenue requirement by rate component for 2000		1,081,408	3,649,843	1,239,274	2,134,780	1,077,406	9,182,712
7. Revenue collected in 2000		(91,477)					(91,477)
8. Net end-of-year collection/(refund) due to SAC true-up		989,931	3,649,843	1,239,274	2,134,780	1,077,406	9,091,235
9. Gross revenue in 2000		(37,481)	1,652,002	562,789	775,489	188,962	3,141,762
10. Gross revenue surplus/(deficit) for 2000							
11. Calculation of 2000 NORM/NARM net revenue		\$ 312,765					
12. Revenue		(183,262)					
13. Expenses		129,503					
14. Net revenue		64,762					
15. Generator's share of NORM/NARM net revenue							
16. Generator's share of net revenue, by rate component							
17. Amount to be refunded to generators		14,245	20,461	6,928	13,922	9,195	64,762
18. Amount to be added to 2001 revenue requirement			1,672,463	569,718	789,411	198,157	3,229,749
19. Calculation of revenue requirement not subject to inflation Index		23,235					23,235
20. Depreciation							
21. Rate case expense		\$ 164,974					
22. Amortization of goodwill		61,441					
23. Leasehold rent							
24. Leasehold taxes							
25. Total portion of revenue requirement not subject to Inflation Index		\$ 282,835					
26. Revenue requirement subject to Inflation Index							
27. Calculation of Inflation Index							
28. Gross domestic product implicit price deflator, 2000		106.91					
29. Gross domestic product implicit price deflator, 1999		104.77					
30. Inflation Index		2.04%					
31. Revenue requirement subject to Inflation Index, inflated							
32. Revenue requirement for 2001, before deferrals from 2000							
33. Allocators for 2001 ratemaking							
34. Allocated revenue requirement for 2001, before deferrals from 2000		22.0%	31.6%	10.7%	21.5%	11.7%	100.0%
35. Allocated revenue requirement for 2001, including deferrals from 2000		1,334,348	1,916,609	648,978	1,304,022	709,631	5,913,588
36. SAC underrecovery to be allocated to other rate components		1,357,583	1,916,609	648,978	1,304,022	709,631	5,936,823
37. Allocators for SAC underrecovery		552,567					
38. Allocated SAC underrecovery for 2001							
39. Allocated revenue requirement for 2001, including SAC reallocation							
40. Revenue requirement for 2001, including "at risk" component		805,016	2,147,882	727,289	1,461,375	946,991	6,088,453
41. Projections for 2001			66,654	136	780		
42. "Safety Margin"			80%	80%	80%	80%	
43. Dose rate revenue requirement for 2001			53,323	109	624		
44. Billing Determinants for 2001 rates			\$ 40.28	\$ 6,684.64	\$ 2,341.95		
45. Rates for 2001, before rounding			\$ 40.30	\$ 6,685.00	\$ 2,342.00		
46. Rates for 2001, rounded							994,075

Exhibit A
Schedule 1

"RD Stipulation" refers to Washington Utilities and Transportation Commission v. US Ecology, Inc., Docket No. UR-950619, Stipulation Regarding Rate Design and Ratemaking Issues.
 "2000 FCS" refers to US Ecology, Inc., Final Calculation of 2000 Rates, Calculation Sheet
 "RR Settlement" refers to Washington Utilities and Transportation Commission v. US Ecology, Inc., Docket No. UR-950619, and Petition of US Ecology, Inc. for an Order Regarding the Accounting Treatment of the Benton County Property Tax Liability, Docket No. UR-950620, Settlement Agreement on Revenue Requirement Issues.

Revised Final Calculation of 2001 Site Availability Charge (SAC)

Inputs to SAC Calculation

1. Revenue requirement for 2001 SAC (from Calculation Sheet 1, line 35) \$ 1,357,583
2. Inflation Index (from Calculation Sheet 1, line 30) 2.04%
3. Maximum increase in SAC (Inflation Index x 2; see RD Stipulation* 2(c)(3)(i)) 4.09%

Block No.	Characteristics for Year	2001 Projected Generators in Block	2000 SAC	Ratio of Each 2000 Block Charge to that of the Previous Block	Maximum Increase in SAC	2001 SAC (2000 SAC plus Maximum Increase)†	Ratio of Each 2001 Block Charge to that of the Previous Block**	2001 Projected Revenues from SAC
		1	2	3	4	5	6	7
	Column Number:							
0	No site use at all	58	\$ 100		\$ 4	\$ 104		\$ 6,032
1	Greater than zero but less than or equal to 10 ft ² and 50 mR/h††	30	211	2.11	9	220	2.12	6,600
2	Greater than 10 ft ² or 50 mR/h†† but less than or equal to 20 ft ² and 100 mR/h††	10	404	1.91	17	421	1.91	4,210
3	Greater than 20 ft ² or 100 mR/h†† but less than or equal to 40 ft ² and 200 mR/h††	18	776	1.92	32	808	1.92	14,544
4	Greater than 40 ft ² or 200 mR/h†† but less than or equal to 80 ft ² and 400 mR/h††	12	1,491	1.92	61	1,552	1.92	18,624
5	Greater than 80 ft ² or 400 mR/h†† but less than or equal to 160 ft ² and 800 mR/h††	12	2,868	1.92	117	2,985	1.92	35,820
6	Greater than 160 ft ² or 800 mR/h†† but less than or equal to 320 ft ² and 1,600 mR/h††	2	5,513	1.92	225	5,738	1.92	11,476
7	Greater than 320 ft ² or 1,600 mR/h†† but less than or equal to 640 ft ² and 3,200 mR/h††	1	10,597	1.92	433	11,030	1.92	11,030
8	Greater than 640 ft ² or 3,200 mR/h†† but less than or equal to 1,280 ft ² and 6,400 mR/h††	1	20,372	1.92	832	21,204	1.92	21,204
9	Greater than 1,280 ft ² or 6,400 mR/h†† but less than or equal to 2,560 ft ² and 12,800 mR/h††	2	39,167	1.92	1,600	40,767	1.92	81,534
10	Greater than 2,560 ft ² or 12,800 mR/h†† but less than or equal to 5,120 ft ² and 25,600 mR/h††	2	75,288	1.92	3,076	78,364	1.92	156,728
11	Greater than 5,120 ft ² or 25,600 mR/h††	3	143,234	1.90	5,851	145,738	1.86	437,214
	Total	151						805,016
	Underrecovery to be spread to other rate components pursuant to RD Stipulation* § 2(c)(3)							\$ 552,567

**RD Stipulation* refers to Washington Utilities and Transportation Commission v. US Ecology, Inc., Docket No. UR-950619, Stipulation Regarding Rate Design and Rate-making Issues. ††Tariff Sheet* refers to US Ecology, Inc., Washington Nuclear Center, Radioactive Waste Disposal, Twelfth Revision of Sheet No. 1-a, filed with the Washington Utilities and Transportation Commission.

†Checked to ensure compliance with RD Stipulation § 2(c)(3)(ii); the figure pertaining to RD Stipulation § 2(c)(3)(ii)(B) is \$5,600,000 x 0.024 x 1.0195 [the 1996 Inflation Index] x 1.0199 [the 1997 Inflation Index] x 1.0101 [the 1998 Inflation Index] x 1.0204 [the 2000 Inflation Index] or \$145,738 for 2001. Block No. 11 is affected by this provision in 2001.

**Calculated to ensure compliance with RD Stipulation § 2(c)(3)

††For purposes of determining the Site Availability Charge, R per hour is calculated by summing the R per hour at container surface for all containers received during the year.

Revenue requirement for 2001 dose rate charge (from Calculation Sheet 1, line 43) \$ 994,075

Block No.	Dose Rate at Container Surface	2001 Projected Containers In Block	2000 Dose Rate Charge	Ratio of Each 2000 Block Charge to that of the Previous Block		2001 Dose Rate Charge	Ratio of Each 2001 Block Charge to that of the Previous Block†		2001 Projected Revenues from Dose Rate Charge
				2000 Dose Rate Charge	2001 Dose Rate Charge		2001 Dose Rate Charge	2001 Projected Revenues from Dose Rate Charge	
		1		2	3	4	5	6	
		Column Number:							
		Source:	Exhibit 5	Tariff Sheet* Schedule A, B.4	Division of each block by previous	Set such that Column 5 will equal Column 3	Division of each block by previous	Column 1 x Column 4	
1	Less than or equal to 200 mR/h	750	\$ 16			\$ 45		\$ 33,750	
2	Greater than 200 mR/h but less than or equal to 1,000 mR/h	13	1,150	71.9	71.9	3,235	71.9	42,055	
3	Greater than 1,000 mR/h but less than or equal to 10,000 mR/h	5	4,550	4.0	4.0	12,800	4.0	64,000	
4	Greater than 10,000 mR/h but less than or equal to 100,000 mR/h	10	6,950	1.5	1.5	19,600	1.5	196,000	
5	Greater than 100,000 mR/h	2	116,500	16.8	16.8	329,000	16.8	658,000	
	Total		780					\$ 993,805	

*"Tariff Sheet" refers to US Ecology, Inc., Washington Nuclear Center, Radioactive Waste Disposal, Twelfth Revision of Sheet No. 1-a, filed with the Washington Utilities and Transportation Commission.

†Calculated to ensure compliance with Washington Utilities and Transportation Commission v. US Ecology, Inc., Docket No. UR-950619, Stipulation Regarding Rate Design and Ratemaking Issues, § 2(f).

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(2) The tariff revisions presently under susension herein are reasonable. The proposed rates allow the company the opportunity to earn its revenue requirement plus a reasonable return, and have not been opposed by the affected generators.

(3) It is in the public interest that the Complaint and Order Suspending Tariff Revisions in this docket be dismissed and that the revisions to the respondent's Tariff 1, become effective January 1, 2002.

(4) It is in the public interest that the conditions of the settlement agreement be approved to become effective January 1, 2002. Those conditions set the same rate design, annual adjustment mechanism, rate setting process, and deferred accounting mechanism that have been in effect the last six years. No shipper nor interested party has opposed these conditions.

ORDER

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THE COMMISSION THEREFORE ORDERS That the Complaint and Order Suspending Tariff Revisions in these Dockets, dated May 30, 2001, be and the same is hereby dismissed, and that the revisions filed herein, be and the same shall become effective January 1, 2002.

DATED at Olympia, Washington, and effective this 27th day of June, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION


MARILYN SHOWALTER, Chairwoman


PATRICK J. OSHIE, Commissioner