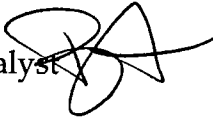


MEMORANDUM

December 23, 2004

TO: Gene Eckhardt, Regulatory Services Assistant Director,  
Transportation and Water Section

FROM: Bonnie L. Allen, Regulatory Analyst 

SUBJECT: **GA-79322 Docket TG-041942 and GA-79324 Docket TG-041965**  
Portion transfers of authority between Rabanco, LTD, and Waste  
Management of Washington, Inc.

*12/23/04*  
*I agree.*  
*[Signature]*

GA-79322 Applicant Transferee:  
Waste Management of  
Washington, Inc. G-237  
13225 N.E. 126th Place  
Kirkland, WA 98034

GA-79322 Applicant Transferor:  
Rabanco, LTD G-12  
54 South Dawson Street  
Seattle, WA 98134

GA-79324 Applicant Transferee:  
Rabanco, LTD G-12  
54 South Dawson Street  
Seattle, WA 98134  
Seattle, WA 98134

GA-79324 Applicant Transferor:  
Waste Management of  
Washington, Inc. G-237  
13225 N.E. 126th Place  
Kirkland, WA 98034

GA-79322 is an application to transfer several portions of authority to provide solid waste collection service in King County from Rabanco, LTD, (Rabanco) G-12, to Waste Management of Washington, Inc., (Waste Management) G-237.

GA-79324 is an application to transfer several portions of authority to provide solid waste collection service in King County from Waste Management of Washington, Inc., (Waste Management) G-237 to Rabanco, LTD, (Rabanco) G-12.

Applications GA-79322 and GA-79324 appeared on the Commission's November 15, 2004, application docket. No one filed a protest, intervention, or contemporaneous application for overlapping authority during the docket and protest period.

Waste Management and Rabanco both hold authority to provide solid waste collection

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services in King County. In some parts of the county, one or the other company holds exclusive authority to provide solid waste collection services. In other areas of the county, the authorized service territory overlaps and service may be fully or partially duplicated. In addition to Commission regulated service in the unincorporated areas of the county, both companies provide unregulated solid waste collection services under city contracts.

GIS Staff worked with the companies to map authority overlaps between the two companies in the King County area. Those maps show that much of the overlapping territory appears as "pockets" of unincorporated territory that rests between contract cities.

Waste Management and Rabanco filed these joint applications for transfer concurrently. Together the applications will transfer operating authorities that will (1) rationalize service territories in King County by eliminating overlapping duplicate authority and (2) resolve an ongoing operating authority dispute. An additional advantage of transferring those "pockets" of territory is that the same carrier that serves a city under contract will also serve the area contiguous to that city, resulting in a simplified process for future annexations.

Each company has tariffs in effect for portions of King County and is currently serving customers under those tariffs. In areas where the transferee does not have current rates on file, it is required to adopt the transferor's tariff. If these transfers are granted, approximately 5,128 residential and 235 commercial customers will be required to switch from Waste Management to Rabanco and approximately 2,192 residential and 182 commercial customers will be required to switch from Rabanco to Waste Management. Some of these customers will see a differences in service levels, such as the frequency of yard waste collection, as well an increase or decrease in rates depending on the company's existing tariff rates and service levels.

The companies are preparing notices about the pending changes and are allowing affected customers to continue using their existing containers.

Under the provisions of RCW 81.77.040, the Commission may grant an application with or without hearing when there is no existing certificate holder authorized to provide solid waste collection service in the territory requested. Further, any certificate may be

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sold, assigned, leased, transferred, or inherited as property, but only on authorization by the Commission.

These are uncontested applications to transfer portions of certificate authority. The applicants have no outstanding penalties, fines, administrative, or compliance actions pending before the commission. Staff has received no other information indicating that these applications should be set for hearing.

The companies have asked that the order granting this transfer include language regarding their agreement on potential reversion rights in the cities of Burien and SeaTac. The language is not Commission approval of their agreement, only acknowledgement that an agreement between the companies exists.

I recommend these applications, including wording acknowledging that an agreement on potential reversion rights exists between the companies, be granted without hearing and referred to Staff for processing. Also, because of the extensive rewrite of authority in King County, I recommend that Staff combine both transfers into a single order with a single set of appendices reflecting that final certificate language.

NOTES TO STAFF:

Because of the extensive rewrite of authority in King County, GIS staff has prepared only a final version of the text of each certificate reflecting the results of both transfers. As a result, I believe we need to combine both transfers into a single order with a single set of appendices reflecting that final certificate language. GIS staff has electronic versions of the final authority text that can be used for the order.

Both Waste Management and Rabanco will be required to adoption each other's tariffs in those territories they receive through transfer that are not contained in their current tariffs.

The companies have asked that the transfers be effective January 1, 2005, but they would like the order dated December 27, 2004, so that they can provide a voluntary notice to affected customers of both companies.