



Pierce County

Public Works and Utilities

9850 64th Street West
University Place, Washington 98467-1078
(253) 798-4050 Fax (253) 798-4637

Brian J. Ziegler, P.E.
Director

Brian.Ziegler@co.pierce.wa.us

January 28, 2010

David W. Danner, Executive Director
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

SUBJECT: TG-100087

Dear Executive Director Danner:

This letter serves as Pierce County's official comment on the above referenced docket item.

Harold LeMay Enterprises Inc. d/b/a Pierce County Refuse provides garbage collection and residential recycling services in Pierce County under a certificate of convenience and necessity (G-98) issued by the Washington Utilities and Transportation Commission. Because the company has earned less on the sale of commodities collected through our programs, the company has asked permission to lower the "commodity credit" refunded to customers.

Company Eligible to Retain 30% of Commodity Revenue (Revenue Sharing)

Pierce County Refuse has complied with the Revenue Sharing conditions detailed in the approved Recycling Plan on file with Pierce County. The company is eligible to retain 30% of commodity revenue. Please see the enclosed table for detailed information.

Concerns About Deferred Accounting Practices

Pierce County remains concerned that the deferred accounting methodology, coupled with forward-looking commodity revenue projections, has resulted in unreasonable rate swings. These rate swings have resulted in confusion among the citizen-customers we are charged with serving. You may recall I wrote about this issue in a letter dated October 2, 2009 concerning Docket Numbers TG-091463 and TG-091467. The Commission never replied to that letter or addressed our concerns.

Pierce County again asks the Commission to formally review the Deferred Accounting Methodology and invite stakeholder comment. The current methodology has moved beyond a public relations inconvenience and is causing customers to question the long-term cost-effectiveness and viability of our recycling programs. This is unfair to those customers, the local governments that have the authority to design recycling programs, and the regulated solid waste collection companies.

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COMMUNITY MANAGEMENT



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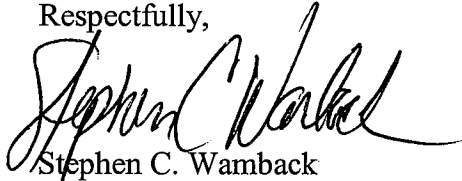
We remain hopeful that together we can develop an accounting methodology that retains the hallmarks of "cost-of-service" and fully complies with the solid waste management priorities found in Chapter 70.95 RCW, without causing future excessive and retroactive rate swings. I look forward to your response to these concerns.

Conclusions

1. Pierce County affirms that Pierce County Refuse is eligible to retain 30 % of revenue generated on the sale of recyclable commodities.
2. Pierce County concurs with the companies' request to reduce the commodity credit.
3. Pierce County asks the Commission to review its methodology for calculating the commodity credit outside the context of these docket items.

Please contact me at (253) 798-4656 if you have any questions.

Respectfully,



Stephen C. Wamback
Solid Waste Administrator

cc: Brian J. Ziegler, P.E., Director, Department of Public Works and Utilities
Toby Rickman, Deputy Director, Department of Public Works and Utilities
Eddie Westmoreland, Waste Connections
Dan Schooler, Waste Connections / LeMay Enterprises
Irmgard Wilcox, Waste Connections

Enclosure: Pierce County Refuse - Commodity Revenue Sharing Analysis

CORS/SO3336-SCW

Pierce County Refuse - Commodity Revenue Sharing Analysis - January 2010

Summary				
Criteria	Topic		Percent Eligible	Percent Approved
1	Implementation		10%	10%
2	Data Monitoring		8%	8%
3	Performance Increase		12%	12%
			30%	30%

Detail				
Criteria	Topic	Status	Percent Eligible	Percent Approved
1a	Public Outreach	Developed and Maintained		
1b	Schedule	On Time		
1ci	Carts & Special Collection	In Compliance		
1cii	Hot Line	Complied	10%	10%
1ciii	Glass Drop Off	In Compliance		
1civ	Customer Service	Complied		
1cv	Schedule	In Compliance		

Criteria	Topic	Status	Percent Eligible	Percent Approved
2a	On-board computers	In Compliance		
2b	Excel Spreadsheets	In Compliance		
2c	Baseline Date	In Compliance		
2d	Commodity and Contaminants	In Compliance	8%	8%
2e	Glass Collection	In Compliance		
2f	Glass Collection	In Compliance		
2g	Alternative Collection Containers	Provided		
2h	Tracking System	In Compliance		

Criteria	Topic	Status	Percent Eligible	Percent Approved
3a	Data comparison to 2004	In Compliance	N/A	N/A
3b	Increase in Paper Fiber	52% <i>per capita</i> increase since 2004	3%	3%
3c	Increase in Total Recycling	66% <i>per capita</i> increase since 2004	4%	4%
3d	Decrease in Disposal	16% <i>per capita</i> decrease since 2004	5%	5%