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Filing a New Solid Waste Tariff or Amending an Existing Tariff

This publication has been updated to reflect rules adopted by the Washington Utilities and Transportation Commission (Commission).

This publication explains procedures:

- For filing a tariff with an application for certificate authority (including new authority, leased authority, transfer of authority, and contract authority);
- For filing new solid waste collection tariffs;
- For amending currently-filed solid waste collection tariffs;
- For using the Commission's standard solid waste collection tariff format; and
- For filing a solid waste collection tariff in an alternate format.

Other documents containing provisions related to tariff filings include:

- Chapter 480-70 WAC (rules related to solid waste collection companies);
- Title 81.77 RCW (laws related to solid waste collection companies); and
- Chapter 480-07 WAC (the Commission's procedural rules).

You may request copies of these documents:

- From the Commission's Records Center. The Records Center telephone number is: (360) 664-1234.
- Through the Commission's Internet home page (www.utc.wa.gov). Using the Internet page you can view the documents, download and print the documents, or request that copies to be mailed to you.

If you have questions about solid waste collection company tariff filings, processes, formats, or technical issues, please contact the Transportation/Solid Waste Section at (360) 664-1300, or use the inquiry form available on our Internet home page at (www. utc.wa.gov).

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PART ONE – FILING A TARIFF WITH AN APPLICATION FOR CERTIFICATE AUTHORITY

All applicants for solid waste certificate authority must file a tariff with the application submitted to the Commission.

SECTION 1 – APPLICANTS FOR NEW AUTHORITY (Permanent and temporary):

Applicants for new authority must file using the standard tariff format published by the Commission or an approved alternate form. A detailed description of the standard tariff format is published in this publication, see Part Two, Section 2, Subparagraph 1, on page 4. For additional information on alternate tariff formats, see Part Two, Section 2, Subparagraph 9, on page 6.

Applicants must file a copy of the draft tariff with the completed application forms submitted to the Commission. Applicants must ensure that the tariff submitted with the application is complete and accurately describes proposed operations. The tariff is a part of the application file and is a public record. Information contained in the tariff may be the subject of questions if the application is set for hearing.

If the application for certificate authority is granted, the tariff submitted with the application may need to be amended. Commission Staff will work with applicants to finalize the tariff before the final solid waste collection certificate is issued.

After the tariff is approved, the company may not charge higher, lower, or different rates and charges than are shown in the tariff. Instead, a filing to amend the tariff must be filed with, and approved by the Commission. Procedures for filing tariff amendments are shown in Part Two of this publication.

SECTION 2 – APPLICANTS OBTAINING AUTHORITY FROM ANOTHER COMPANY

Applicants seeking to acquire territory from an existing company through lease or transfer must file a copy of rates with the completed application forms submitted to the Commission. Customers in the territory being acquired cannot suffer a rate increase due to the transfer or lease process. Applicants may file the required tariffs in either of two ways:

- (a) The applicant may file a complete new tariff at the same rates approved by the Commission for the company from whom authority is being leased or transferred. In this instance, the applicant must use the standard tariff format published by the Commission or an approved alternate form. A detailed description of the standard tariff format is published in this publication -- see Part Two, Section 2, Subparagraph 1, on page 4. For additional information on alternate tariff formats, see Part Two, Section 2, Subparagraph 9, on page 6.
- (b) The applicant may file a form adopting the existing tariff of the company from whom authority is being leased or transferred. An "Adoption of Tariffs" form is shown on the following page.

TARIFF ADOPTION NOTICE

Tariff No. _____

Name of company

Certificate No.

Trade name of new company

adopts all tariffs and supplements to the tariffs,
filed with the Washington Utilities and Transportation by

Name of prior company

before the date of its (new company) acquired possession
of that (prior) company, or a portion of the authority
of that (prior) company.

Notice issued by:

Name: _____

Title: _____

Telephone Number: _____

E-mail Address: _____

Date filed with Commission: _____

SECTION 3 – APPLICANTS FOR CONTRACT SOLID WASTE AUTHORITY

Applicants for contract solid waste authority are not normally required to file standard tariffs with the application submitted to the Commission. They must instead file contracts that meet the provisions of WAC 480-70-146 (reprinted below.)

WAC 480-70-146 - Contracts. Contracts accompanying applications for contract certificated authority must be original or duplicate original contracts. They must be mutually binding on both the shipper and company, entered into in good faith, and include:

- (1) The starting and ending dates of the agreement;
- (2) The route or area in which service will be provided;
- (3) The kind and minimum quantity of the commodities to be transported (the minimum quantity must be an amount sufficient to allow operation of the company's equipment at a profit);
- (4) The rates agreed on by the parties;
- (5) A description of the process for terminating the contract before the stated expiration date, that specifies that at least five days' notice must be given to the commission and to both parties before the termination process may be implemented; and
- (6) A provision stating that the contract is subject to the authority of the commission to fix or amend just, fair, and reasonable classifications, rules, and minimum rates and charges for solid waste collection service.

PART TWO -- AMENDING EXISTING TARIFFS

SECTION 1 -- FILING METHODS/ACKNOWLEDGEMENT OF FILINGS:

You must file solid waste collection tariffs with the Records Center of the Washington Utilities and Transportation Commission ("WUTC" or "Commission").

- (a) **Filings by mail** – Please use the following mailing address:

Executive Secretary
Washington Utilities and Transportation Commission
P. O. Box 47250
Olympia, WA 98504-7250

- (b) **Filings by hand-delivery or messenger** – Please take hand-delivered filings to the Commission's Records Center. Records Center staff will stamp the official receipt time on the filing and distribute it to appropriate staff. If you are sending the filing via messenger, send to:

Records Center
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504

- (c) **Filings by fax** – The Commission prefers that filings be hand-delivered, messenger-delivered, or mailed. However, if you do submit a fax filing, you must also submit a hard paper copy via mail or messenger the same day the fax transmission is made. Please do not fax filing work papers.

Acknowledgement of filing and notification of docket number -- The Commission will return a copy of your transmittal letter to you to acknowledge receipt of your filing. In the upper right-hand corner of the transmittal letter will be a notation that shows the docket number assigned to your filing and the date of the open meeting at which the Commission will consider your filing. When contacting the Commission about your filing, please refer to the docket number shown on the transmittal letter.

SECTION 2 – BASIC GUIDELINES FOR FILING A SOLID WASTE TARIFF:

The specific rules relating to the filing of solid waste tariffs are contained in the provisions of WAC 480-70-226 through WAC 480-70-356. You are encouraged to become familiar with these rules. The Commission will reject tariffs not meeting these rules. Following is a brief description of some of the provisions:

- 1) **Standard Tariff Format.** The Commission publishes a standard tariff format for use by most solid waste collection companies.
 - a) Copies of the standard tariff format are available through the Commission's Internet page. Upon request, the Commission will provide printed copies and/or electronic copies on disk.
 - b) Companies may amend the standard tariff format to reflect company operations by:

- i. Eliminating extraneous items. Example: Companies that do not offer litter receptacle service may delete that item from the tariff filed.
 - ii. Adding items/supplements to the tariff, if required. Some local government jurisdictions have imposed surcharges on company operations. To reflect these surcharges the company the companies operating in those areas have been required to add supplements to their tariffs.
- c) If your tariff contains different rates for different areas within your service area (and tariff), fully describe on each page the area in which the page applies.
- Example: A company charges different rates for residential collection within the city limits than in the unincorporated portion of its authority. The company would publish two Item 100's in its tariff. One would be labeled "Rates apply within the city limits of the city of Anywhere" and the second would be labeled "Rates apply in Nowhere County, excluding within the city limits of the city of Anywhere."
- d) Companies transporting special wastes may find the standard tariff format does not meet their needs. These companies may use alternate formats, subject to Commission review and approval.
- e) Companies needing assistance or advice on developing new pages or items should contact the Solid Waste Section at: (360) 664-1300.
- 2) **Definitions.** WAC 480-70-226 contains definitions that are uniform to all company-filed solid waste tariffs. Carriers may include company-specific definitions to the tariff if they are clearly labeled as company-specific and if they do not conflict with the standard definitions contained in this rule.
- 3) **Legibility** - Companies should submit only ORIGINAL, legible pages or tariffs. All solid waste tariffs must be typed or mechanically printed (not handwritten) in at least 10-point type.
- 4) **Use of symbols.** All changes to provisions of a company's filed tariff must be identified with symbols as shown in WAC 480-70-286. Tariffs without proper symbols may be rejected.
- 5) **Item numbers.** Item numbers used in the standard tariff are reserved strictly for those services, rules, rates or charges described in the titles of the items. For example, Item 20 is reserved for definitions, Item 100 is reserved for residential rates, and Item 240 is reserved for company-owned, non-compacted container service. Companies wishing to include levels or services other than those described in the standard tariff format must use Item numbers not already reserved.
- 6) **Filing amendments** Companies may amend filed tariffs through one of two methods:
- a. Issuing revised pages to the tariff; or
 - b. Issuing a complete new tariff.
- 7) **Maps.** Companies are required to file maps with their tariffs. These maps must clearly identify the areas in which the tariff applies. Specifics on map formats are contained in WAC 480-70-056 and 480-70-301.
- 8) **Authority to file on behalf of a company** If a person other than an owner, partner, or corporate officer submits a tariff filing on behalf of a company, the company must include with its tariff filing a statement granting authority for that person to file on behalf of the company.

- 9) **Alternate tariff formats** All alternate tariffs must comply with the provisions of Chapter 480-70 WAC relating to tariffs, and to the following specific rules:
- a) WAC 480-70-241 – Tariffs, content (all tariffs must have a title page, a rules section, a rates section and a map);
 - b) WAC 480-70-281 – Tariffs, format and size requirements;
 - c) WAC 480-70-286 – Tariffs, changes must be identified;
 - d) WAC 480-70-291 – Tariffs, title pages;
 - e) WAC 480-70-296 – Tariffs, page format;
 - f) WAC 480-70-301 – Tariffs, maps;
 - g) WAC 480-70-306 – Tariffs, rules;
 - h) WAC 480-70-316 – Tariffs, supplements.

SECTION 3 -- TARIFF FILING CHECKLIST

The following materials must be included with a solid waste collection tariff filing. Note: If this information is not submitted with the filing, or is not readily available at company offices, the accounting staff may request to have it compiled before an audit appointment is made. This may cause the filing to be suspended or rejected, resulting in a delay in the effective date of the proposed rate increases.

- 1) Transmittal letter (two copies). (See detailed description of transmittal letter requirements in Section 4.)
- 2) Copies of all customer notices. (See detailed description of customer notice requirements in Section 5.)
- 3) Copies of all ordinances, resolutions, disposal site fee notifications, etc., that were reasons for the filing.
- 4) For general rate increases, one copy of each of the following:
 - a) Can/Customer Count that ties within 5% of Pro Forma Income Statement. (See detailed description of can/customer count in Section 6.)
 - b) Pro Forma Income Statement, showing ledger amounts with restating and pro forma adjustments and the revenue effect of proposed rates. (See detailed description of pro forma income statement in Section 7.)
 - c) Monthly Income Statement of Test Year that ties to Pro Forma Income Statement, using the same 12 months as the test year, and ending on a quarter.
 - d) Depreciation Schedule;
 - e) Consolidated Balance Sheet, Debt-to-Equity Ratios, Breakout of Individual Debt Components;
 - f) Computation of Average Investment;
 - g) If non-regulated revenue represents more than 10 percent of test period revenue on a total company basis, a separation of all revenue and expenses between regulated and non-regulated portions.

- h) Detailed list of all non-regulated operations, including rates charged and services rendered;
 - i) Information relating to affiliated interest transactions that may, either directly or indirectly, impact the proposed rates. This information must include a full description of affiliated interest relationships, the terms and amount ongoing, and an income statement and balance sheet for every affiliated entity.
 - j) Copy of most recent consolidated report to shareholders, where applicable.
 - k) Cost of service study (Class A companies only.) (See more detailed description in Section 9).
 - l) Any additional information that should be brought to the attention of the Commission regarding the rate application that justifies the need for increased rates. Examples: Copies of labor contracts, notices of insurance premiums, county service level ordinances, etc.
- 5) Original, legible tariff on standard tariff format (specialized carriers may use alternate format).
- 6) If appropriate submit properly completed LSN forms. (See more detailed description in Section 8.)

SECTION 4 -- TRANSMITTAL LETTERS

You must submit an original and one copy of a transmittal letter with your filing. See WAC 480-70-326(2). See sample on following page.

Your transmittal letter must include at least the following:

- Your company name, certificate number, and registered trade names;
- A description of each proposed change and a brief statement of the reason for each change;
- The dollar and percentage amounts that revenue will change if the filing is approved by the commission;
- The percentage amount that rates will change if approved by the commission;
- A contact person's name, mailing address, telephone number, FAX number (if any), and e-mail address (if any); and
- A statement that your company mailed a copy of the transmittal letter to the chair of the county commission or county council of each county affected by the filing.
- A statement that your company mailed a copy of the transmittal letter to the senior officials (mayor and/or city council chair) of each city affected by the filing.
- A transmittal letter accompanying a filing that proposes to increase rates or charges must also include the date customer notice was, or will be, mailed or delivered to all affected customers.

Sample Transmittal Letter:

Any Solid Waste Collection Company
12345 Recycler's Drive
Anytown, Washington 99999

Secretary
Washington Utilities and Transportation Commission
P O Box 47250
Olympia, WA 98504-7250

Dear Sirs:

This filing is submitted by: Any Solid Waste Collection Company, Inc., G-000, d/b/a Mike's Refuse and Recycling and d/b/a Western Washington Hauling.

This filing proposes a general rate increase. This increase is necessary to offset increased disposal site fees; increases due to a recent wage increase for our drivers, and increased office expenses. If approved by the Commission, these rates would increase our revenues by approximately 5% (\$67,000).

In addition to the general rate increase, we are making the following changes to our tariff:

Item 100 -- We are adding a 1-can every other week service option to comply with the new county service level ordinance.

Item 240 -- We are adding a new 1½-yard container due to the requests of our customers.

As required by Commission rules, a copy of this transmittal letter will be mailed to the County Council and to the mayors of all cities impacted by this filing. We will be mailing customer notice to all affected customers on June 4, 200X. We will file a copy of the customer notice(s) with your office at the same time.

If you have questions regarding this filing, please contact Bill Andrews. His telephone number is (360) 555-5555, his fax number is (360) 555-5556, and his e-mail address is billa@anycompany.com.

Sincerely,

John Andrews, President

cc: Anywhere County Council Chair
Anytown City Manager

SECTION 5 -- NOTICE REQUIREMENTS:

Notice requirements vary depending on the type of filing you are submitting.

One-day notice. The commission may approve on one-day notice:

- (1) Initial tariff filings that accompany applications for certificated authority;
- (2) Tariff adoptions filed under the provisions of WAC 480-70-321; and
- (3) Tariff filings whose only purpose is to add a new service option or a service level which has not been previously included in the company's tariff, if that service option or service level is requested by a customer.

Seven-day notice. A company must provide at least seven calendar-days' notice to the commission on filings whose only purpose is:

- (1) To implement decreases in rates or charges; or
- (2) To add a new service option or service level which has not been previously included in the company's tariff.

Forty-five-day notice. A company must provide at least forty-five calendar-days' notice to the commission on any filing that will result in an increase in rates or charges to customers.

The following rule governs how the Commission computes notice periods:

WAC 480-09-130 Computation of time. The time for doing an act governed by this chapter shall be computed by excluding the first day and including the last, unless the last day is a holiday, Saturday, or Sunday, and then the last day is excluded from the computation.

Customer notice requirements:

Solid waste collection companies must provide notice to the company's customers at least once, either before or after final Commission action, depending on the type of filing. (See WAC 480-70-271 for a detailed description of customer notice requirements.)

30-day Customer notice before commission action. (See sample on following page.).

- 1) 30-day notice to customers is required on filings that:
 - a) Increase rates;
 - b) Institute a charge for a service that was formerly provided without charge; or
 - c) Restrict access to services (e.g., discontinue a service or limit access to service by imposing a new usage level on existing services).
- 2) Notices must be provided to:
 - a) Each affected customer;
 - b) County commissioners or council members in all counties where affected customers reside;

- c) The senior officials of affected cities (mayors or city managers) where affected customers reside; and
- d) The Commission's designee.

Sample 30-day Customer Notice:

ABC Garbage Hauling, 123 Throw It Drive, Olympia, WA 98504,
1-800-you-cans

October 27, 200X

ABC has filed to increase monthly rates to cover higher expenses to bill customers and to recover higher energy costs. We are asking for these rates to be effective on December 1.

Services	Current rates w/o recycling	Proposed Rate w/o recycling	Current rate with recycling	Proposed Rate with recycling
Mini Can	\$12.00	\$13.22	\$11.00	\$12.22
1 can wkly	\$14.35	\$15.51	\$13.35	\$14.51
2 can wkly	\$20.51	\$22.51	\$19.51	\$20.51
3 can wkly	\$28.51	\$29.51	\$27.51	\$26.51
4 can wkly	\$35.51	\$36.51	\$34.51	\$32.51

This proposal will affect other services that are not reflected above by approx. 5% increase. Please call our office to inquire about how it may impact your rates at 1-800-you-cans.

The commission has the authority to set the final rates that may vary from the company’s request depending on the results of its investigation. To comment on this filing, be added to the commission’s mailing list, or ask questions about the ratemaking process, please use the contact information below. You may also comment in person at the commission’s open meeting at 1300 S. Evergreen Park Dr. SW in Olympia at 9:30 a.m. on <open meeting date>.

If you are unable to attend an open meeting in person, you can participate or listen by telephone. Call 360-664-1234 for instructions the day before the open meeting.

You may also comment by using the “Public Comment” feature at the commission’s web site, at <http://www.utc.wa.gov> or you may provide your comments in the following manner:

Mail: Post Office Box 47250, Olympia, WA 98504-7250

E-mail: comments@wutc.wa.gov

Telephone: 1-888-333-9882

Fax: 360-664-3604

Customer notice after final commission action:

- 1) **Notice required.** Each affected customer must receive notice on or with the first bill after the final Commission decision when a company increases rates for:
 - a) Nonrecurring charges (e.g., late payment fees, NSF fees, one-time charge, etc.);
 - b) Local taxes;
 - c) Disposal fee increases;
 - d) Fuel surcharges;
 - e) Credits or refunds; and
 - f) Commodity credits and charges.

- 2) Notices must be provided to:
 - a) Each customer that will be affected by the company's proposal;
 - b) County commissioners or council members in all counties where affected customers reside;
 - c) The senior officials of affected cities (mayors or city managers) where affected customers reside; and
 - d) The Commission's designee for public affairs.

Commission assistance on the customer notice - The commission's consumer protection section is available to:

- a) Assist companies with customer notice questions;
- b) Review draft customer notice language; and
- c) Offer suggestions on draft customer notice language. If a company would like assistance, the company must submit the notice for review at least two working days before the planned notice printing date.

SECTION 6 -- CAN/CUSTOMER COUNT:

Companies must file an accurate, verifiable can/customer count. The count should include the number of pickups and the number of customers for each type of service (residential, commercial, and drop box) and respective service levels offered. Examples:

- Residential:
 - 1-can service, 2-can service, with and without recycling and/or yard waste, etc.;
 - Carry-outs and drive-ins;
 - Sunken cans, stairs, steps, etc.
- Commercial:
 - Commercial cans with and without recycling (under 5, over 5, minimum charge, etc.);
 - Litter receptacles;
 - Loose and bulky;
 - Time rates;
 - Washing and cleaning.
- Containers:
 - Non-compacted containers, by size and frequency of service, (both per pick up and rental portions) with and without recycling; and

- Compacted containers, by size and frequency of service, (both per pick up and rental portions) with and without recycling.
- Drop box:
 - Disposal site pass through fees (tons/yards and dollars)
 - Non-compacted drop boxes, by size and frequency of service, (both per pick up and rental portions); and
 - Compacted drop boxes, by size and frequency of service, (both per pick up and rental portions).

An example of a can/customer count is shown below. It is provided for illustrative purposes only and is not intended to be all-inclusive. The can/container count you submit with your filing should include all categories of service for which your company has a rate listed in the tariff from which you earned revenue during the test period. If recycling is included in the rate for any level of service, a separation of recycling and regular service rates and revenues must be included in this analysis.

The can/customer count should be based on at least one representative month of activity. Due to seasonality, your can/customer count will more accurately reflect your operations if it is based on more than one month. The can/customer count must reconcile to within five percent (5%) of the test period revenue, without adjustment.

Sample Can/Customer Count:

Residential:						
1 can weekly						
basic service		4,000	7.50	30,000	9.00	36,000
distance		300	1.25	375	1.50	450
drive in		60	3.00	180	3.60	216
1 can EOW						
basic service		1,510	4.95	7,475	5.95	8,985
distance		113	1.25	141	1.50	170
drive in		23	3.00	69	3.60	83
2 cans weekly						
basic service		658	12.05	7,929	14.45	9,508
distance		49	1.25	61	1.50	74
drive in		10	3.00	30	3.60	36
3 cans weekly						
basic service		220	14.80	3,256	17.75	3,905
distance		17	1.25	21	1.50	26
drive in		3	3.00	9	3.60	11
Residential-Seasonal (3 months)						
1 can weekly						
basic service		758	7.50	1,421	9.00	1,706
distance		62	1.25	19	1.50	23
drive in		52	3.00	39	3.60	47
Extra Pickups per month	2,159		2.00	4,318	2.40	5,182
Total Residential		<u>7,835</u>		<u>55,344</u>		<u>66,420</u>
						<i>Percentage increase: 20%</i>
Commercial:						
Cans -- over 5 grouped together		650	2.50	1,625	3.13	2,031
Extras	752		2.50	1,880	3.13	2,350
1.5 yard -- weekly	867	200	7.75	6,717	9.69	8,396
1.5 yard -- EOW	269	124	7.75	2,085	9.69	2,602
1.5 yard -- monthly	0	0	7.75	0	9.69	-
1.5 yard -- monthly rent	211		8.15	1,720	10.19	2,150
2 yard -- weekly	455	105	10.95	4,982	13.69	6,223
2 yard -- EOW	58	27	10.95	635	13.69	800
2 yard -- monthly	0	0	10.95	0	13.69	-
2 yard -- monthly rent		275	12.60	3,465	15.75	4,331
Total Commercial		<u>1,106</u>		<u>23,109</u>		<u>28,883</u>
						<i>Percentage increase: 25%</i>
Drop Box:						
20 yard	120	30	45	5,400	47.25	5,670
30 yard	50	25	50	2,500	51.5	2,575
40 yard	35	10	56	1,960	57	1,995
		<u>65</u>		<u>9,860</u>		<u>10,240</u>
						<i>Percentage increase: 4%</i>
Total Monthly				<u>\$ 88,313</u>		<u>105,543</u>
						<i>Percentage increase: 19.5%</i>
			Annual	\$ 1,059,756	Pro Forma	\$ 1,266,540

SECTION 7 – PRO FORMA INCOME STATEMENT:

The pro forma income statement is divided into two basic areas:

- 1) Actual operating revenues and expenses, and
- 2) Pro forma operating revenues and expenses.

The income statement is based on the operations of a specific, recent 12-month test period for which there is complete financial data available, usually ending with the last complete calendar quarter.

To begin a pro forma income statement, a trial balance from the general ledger should be prepared for the test period. The amounts shown in this revenue and expense summary become the basis for the filing. The revenues and expenses should be itemized in sequence by account title and number as prescribed in the Uniform System of Accounts. This is considered the "per books" level. [For ratemaking purposes, only expense accounts in the 4000-5000 series are included. Accounts 6200 (other income/loss) through 8800 (federal income tax) are considered "below the line" items, not included in the calculation of the operating ratio.] From this point, restating and pro forma adjustments are made to more properly reflect operations during the rate year.

Restating Adjustments

Restating adjustments modify historic operating results to more properly reflect a "normal, representative" 12-month test period and give recognition to those areas where company accounting methodology may differ from accepted regulatory practice. Restating adjustments fall into three categories:

- 1) **Reclassification** – reclassification moves dollars from one account to another with no effect on the final net income;
- 2) **Accounting adjustments** – accounting adjustments are necessary if the income statement does not properly apply basic accounting principles, such as an out-of-period expense posted in the test year, or to correct an error or oversight.
- 3) **Ratemaking** – ratemaking adjustments modify the records of the company to reflect proper ratemaking theory, such as removing expenses that were incurred by the company but are not generally allowed to be passed on to ratepayers, or converting from accelerated depreciation to straight line depreciation.

Pro Forma Adjustments

Once restated levels have been determined, pro forma adjustments are next. A pro forma adjustment gives effect to known and measurable change in revenue and/or expense that is not mitigated by any other factors.

To make a pro forma adjustment, calculate the dollar impact of each separate adjustment by revenue or expense category. Changes that occurred mid-way through the test period should only be

calculated based on the number of months that were *not* at the current (higher or lower) level. This is done because a portion of the new level is already included in the test period. Changes that occur after the end of the test period (for example an upcoming pay raise for employees, etc.) would be given the full 12-month effect, since none of the revenue/expense has been included in the test year.

It is important to note that when making a pro forma adjustment, estimates of some future level of activity are not acceptable. If fuel, payroll, disposal fee expenses, or revenues are being increased because of a price change or test-year rate increase, actual gallons consumed, hours worked, tons dumped, and revenue collected during the test year are adjusted to the new price or rate level. The amount of units on which the adjustment is to be based is not changed, only the rate. This means no estimates of future fuel consumption, labor hours, tons dumped, or customer growth, etc., will be accepted. The work papers showing the steps taken to reach the final adjustments must be included in the rate case filing.

After all changes in revenues and expenses have been accounted for, the last step in completing the pro forma income statement is to calculate the effect of the proposed rates. The results of the can/customer count should be used in this step. On the can/customer count, the proposed rates should be multiplied by the number of customers in their respective categories. The resulting percentage increase or decrease is applied to the pro forma revenue levels (by classification) on the pro forma income statement. The result becomes the effect of proposed rates. The revenue-sensitive portions of company expenses should be adjusted accordingly. Again, it is important to note that there is no adjustment to absolute dollar amounts generated by the customer count, because the percentage method will reconcile the customer count to actual results. In the example can/customer count (see Section 6), residential revenue on the pro forma would increase by 20%, commercial revenue would increase by 25%, and so on.

Operating Ratio

Total company operating expenses divided by total company operated revenue equals the total company operating ratio expressed as a percentage. Operating ratio is the primary measurement historically used by the Commission to determine a company's revenue requirement. In the attached example of a pro forma income statement, the operating ratio should be calculated on columns (a), (c), (e), (g) and (i).

An acceptable operating ratio for a particular company is variable depending on the individual circumstances of the filing company. "Individual circumstances" refers to such items as current revenues/expenses, the net investment, the capital structure, and the calculated weighted average cost of debt. The operating ratio for a particular company can be calculated by entering company-specific data into the Lurito/Gallagher Operating Ratio Formula available on disk from Commission Staff. This program is a Lotus 1-2-3 file. (See Example below.)

NEW IMPROVED LURITO -- GALLAGHER FORMULA

!!!	Revenue Requirement		\$1,232,313	!!! <---				
!!!	Revenue Deficiency		\$172,557	!!! <---				
*	Revenue	-	\$1,059,756	* p/f before rates				
*	Expenses	-	\$1,164,570	* p/f before rates				
*	Avg. Investment - curve turnover curve No. used		\$356,003	* p/f before rates				
			408.90	(calculated)				
			344.86	(calculated)				
			4.00	(calculated)				
	Company actual capital structure:	-----		!!! OPERATING RATIO -->				94.86

*	Actual Debt Ratio		70%	Conversion factor data:				0.015
*	Actual Equity Ratio		30%	B & O Tax				0.003
*	Actual cost of Debt		7.50%	WUTC Fee				0.000
				City Tax				0.002
*	Tax Rate		34%	Bad Debts				
				Revenue Sensitive				2.53%
				Conversion Factor				0.9233

Sample Pro Forma Results of Operations:

Any Solid Waste Company
Pro Forma Results of Operations -- for the 12 Months Ended 12/31/0X

	(a) Per Books	(b) Restating Adjustments #	(c) Per Books Adjusted	(d) Pro Forma Adjustments #	(e) Pro Form At Present Rates	(f) Effects of Proposed Rates	(g) Pro Forma At Proposed Rates	(h) Effects of Revised Rates	(i) Pro Forma At Revised Rates
Operating Revenues:									
Residential	\$664,128	\$0	\$664,128	\$0	\$664,128	\$132,826	\$796,954	\$105,276	\$769,404
Commercial	277,308	0	277,308	0	277,308	69,327	\$346,635	63,781	\$341,089
Drop Box	118,320	(18,320) 1	118,320	0	100,000	4,000	\$104,000	3,500	\$103,500
Disposal Fee Pass Thru Revenue	0	18,320 1	18,320	0	18,320	0	\$18,320	0	\$18,320
Total Operating Revenues:	1,059,756	0	1,059,756	0	1,059,756	206,153	1,265,909	172,557	1,232,313
Operating Expenses:									
Advertising	\$795	\$0	\$795	\$0	\$795	\$0	\$795	\$0	\$795
B & O Tax	15,896	0	15,896	6,676 a	22,572	3,092	25,664	2,588	\$25,160
Depreciation	64,750	(12,570) 3	52,180	0	52,180	0	52,180	0	\$52,180
Donations	450	(450) 3	0	0	-	0	0	0	\$0
Disposal Fees	481,707	(18,320) 3	463,387	0	463,387	0	463,387	0	\$463,387
Disposal Fee Pass Thru	0	18,320 3	18,320	0	18,320	0	18,320	0	\$18,320
Fuel & Oil	37,500	0	37,500	3,700 b	41,200	0	41,200	0	\$41,200
Health & Welfare	8,050	0	8,050	0	8,050	0	8,050	0	\$8,050
L&I Insurance	5,695	250 3	5,945	0	5,945	0	5,945	0	\$5,945
Legal & Accounting	5,572	0	5,572	0	5,572	0	5,572	0	\$5,572
Office Expenses	55,000	0	55,000	0	55,000	0	55,000	0	\$55,000
Owner's Allowance	0	40,000 5	40,000	1,400 c	41,400	0	41,400	0	\$41,400
Payroll Taxes	24,659	(24,659) 4	0	0	-	0	0	0	\$0
Permits & Licenses	7,418	(3,179) 8	4,239	0	4,239	618	4,857	518	\$4,757
Property Taxes	9,579	0	9,579	1,916 b	11,495	0	11,495	0	\$11,495
Bad Debts	8,653	0	8,653	0	8,653	412	9,065	345	\$8,998
Repairs & Maintenance	79,472	0	79,472	0	79,472	0	79,472	0	\$79,472
Salaries & Wages	245,361	(245,361) 6	0	0	-	0	0	0	\$0
Drivers	0	196,289 6	196,289	35,129 d	231,418	0	231,418	0	\$231,418
Office	0	49,072 6	49,072	6,952 d	56,024	0	56,024	0	\$56,024
FICA	0	18,770 4	18,770	4,575 d	23,345	0	23,345	0	\$23,345
FUTA	0	981 4	981	0	981	0	981	0	\$981
SUTA	0	4,907 4	4,907	842 d	5,749	0	5,749	0	\$5,749
Travel & Entertainment	1,500	0	1,500	0	1,500	0	1,500	0	\$1,500
Utilities	8,453	0	8,453	0	8,453	0	8,453	0	\$8,453
Pension Plan	7,500	5,820 2	13,320	3,500 d	16,820	0	16,820	0	\$16,820
Rate Case Cost	0	1,500 7	1,500	500 e	2,000	0	2,000	0	\$2,000
Total Oper. Expenses	1,068,010	31,370	1,099,380	65,190	1,164,570	4,123	1,168,693	3,451	1,168,021
Operating Income Before FIT	(8,254)	(31,371)	(39,625)	(65,190)	(104,815)	199,206	94,391	167,766	62,951
Interest Expense	18,690		18,690		18,690		18,690		18,690
Federal Income Tax (34%)	(9,161)		(19,827)		(41,992)		25,738		15,049
Net Operating Income AFIT	907		(19,798)		(62,823)		68,653		47,902
Average Rate Base (BEOY)	356,003		356,003		356,003		356,003		356,003
Operating Ratio	100.78%		103.74%		109.89%		92.54%		94.90%
Return on Investment	0.25%		-5.56%		-17.65%		19.28%		13.46%

Sample Summary of Restating Adjustments:

Any Solid Waste Company

Summary of Restating Adjustments for the 12 months ending 12/31/0X

	(1) To reclassify revenues	(2) To show effect of pension cost	(3) To adjust to actual	(4) To reclassify payroll taxes	(5) To allow owner's Compensation	(6) To reclassify salaries	(7) To allow cost of last filing	(8) To reflect decr. in WUTC fee	Total Restating Adjustments
Operating Revenues:									
Residential									0
Commercial									0
Drop Box	(18,320)								
Disposal Fee Pass Thru Revenue	18,320								
Total Operating Revenues:	0	0	0	0	0	0	0	0	0
Operating Expenses:									
Advertising									0
B & O Tax									0
Depreciation			(12,570)						(12,570)
Donations			(450)						(450)
Disposal Fees			(18,320)						(18,320)
Disposal Fee Pass Thru			18,320						18,320
Fuel & Oil									0
Health & Welfare									0
L&I Insurance			250						250
Legal & Accounting									0
Office Expenses									0
Owner's Allowance					40,000				40,000
Payroll Taxes				(24,659)					(24,659)
Permits & Licenses								(3,179)	(3,179)
Property Taxes									0
Bad Debts									0
Repairs & Maintenance									0
Salaries & Wages						(245,361)			(245,361)
Drivers						196,289			196,289
Office						49,072			49,072
FICA				18,770					18,770
FUTA				982					982
SUTA				4,907					4,907
Travel & Entertainment									0
Utilities									0
Pension Plan		5,820							5,820
Rate Case Cost							1,500		1,500
Total Oper. Expenses	0	5,820	(12,770)	0	40,000	0	1,500	(3,179)	31,371
Operating Income Before FIT	0	(5,820)	12,770	-	(40,000)	-	(1,500)	3,179	31,371

Sample Summary of Pro Form Adjustments:

Any Solid Waste Company
Summary of Pro Forma Adjustments -- For the 12 Months Ended 12/31/0X

	(a) To reflect new B & O Rate	(b) To reflect new Pro Forma Levels	(c) To give owner COLA Adjustment	(d) To reflect Pro Forma Wages	(e) To reflect cost of Rate Case	Total Pro Forma Adjustments
Operating Revenues:						
Residential						0
Commercial						0
Disposal Fee Pass Through Revenue						0
Total Operating Revenues	0	0	0	0	0	0
Operating Expenses:						
Advertising						0
B & O Tax	6,676					6,676
Depreciation						0
Donations						0
Disposal Fees						0
Disposal Fee Pass Thru						0
Fuel & Oil		3,700				3,700
Health & Welfare						0
L&I Insurance			1,400			1,400
Legal & Accounting						0
Office Expenses						0
Owner's Allowance						0
Payroll Taxes						0
Permits & Licenses						0
Property Taxes		1,916				1,916
Bad Debts						0
Repairs & Maintenance						0
Salaries & Wages						0
Drivers				35,129		35,129
Office				6,952		6,952
FICA				4,575		4,575
FUTA						0
SUTA				842		842
Travel & Entertainment						0
Utilities						0
Pension Plan				3,500		3,500
Rate Case Cost					500	500
Total Operating Expenses	6,676	5,616	1,400	50,998	500	65,190
Operating Income Before FIT	(6,676)	(5,616)	(1,400)	(50,998)	(500)	(65,190)

SECTION 8 -- COST OF SERVICE STUDY:

Pursuant to WAC 480-09-335(4), Class A companies must submit a completed cost of service study with the initial rate filing. This study is used to determine the costs of providing a particular service to a specified service level. The cost of service study is considered valid for two years following the rate increase request with which it was submitted. Updates must be made as necessary in later rate cases. Once the two-year period has elapsed, a new cost of service study is required. Class B and C companies are not required to submit cost of service studies with initial filings, but are encouraged to use one for the formulation of rates. Commission Staff is available to assist in this, if necessary.

A cost of service study allocates costs incurred in the normal operations of a company to the most appropriate service levels in an attempt to reflect the actual "cost of providing service" in the rates of that particular service. Another goal of the study is to prevent cross-subsidization between service levels. This is accomplished by separating the costs into major categories such as labor, disposal fees, fuel, repairs, depreciation, etc., that are then allocated to appropriate service levels based on the efforts/costs expended/incurred to provide that service. The end result is a summary of what it costs a company to pickup a typical 1-can customer, a 2-can customer, a container or drop box customer, etc.

See sample Cost of Service Study on next three pages.

XYZ DISPOSAL COMPANY COST OF SERVICE STUDY	AB REGULAR ROUTE DROVER PAYROLL +FRINGE	AD DROP BOX ROUTE DRIVER PAYROLL +FRINGE REPAIRS	AE MECHANICS WAQES PAYROLL & FRINGE ALL TRUCK	AF ALL OTHER SHOP EXPENSES COMBINED EQUIPMENT	AG REGULAR ROUTE TRUCK UTILITY DEPR/LIC	AI DROP BOX ROUTE TRUCK UTILITY LIC.+DEP	AL CONTAINER DEPRE- CIATION & REPAIRS	AN DROP BOX DEPRE- CIATION & REPAIRS	AS SUB-TOTAL EXPENSES ALLOCATED SO FAR	AT OFFICERS PAY + FR AND OTHERS FRINGES ALLOC.BASIS PREV.COL.	AU REGULAR DISPOSAL FEES EXCEPT DROP BOX PASS/THRU	AV WUTC FEES OTHER GENERAL TAXES	AW B & O TAXES AND ALL OTHER GENERAL TAXES	AX BAD DEBTS	AZ GRAND TOTAL EXPENSES (ROW TOTALS)
TYPE OF SERVICE UNITS	48,314	8,062	9,092	24,293	9,619	11,168	3,930	2,200	149,803	22,549	183,259	2,365	5,712	1,686	365,374
TOTAL ALL SERVICES	48,314	8,062	9,092	24,293	9,619	11,168	3,930	2,200	149,803	22,549	183,259	2,365	5,712	1,686	365,374
RESIDENTIAL	19,881	0	3,304	8,827	3,958	0	0	0	63,624	9,577	75,962	799	1,930	570	152,462
COMM. CANS	1,562	0	260	694	311	0	0	0	4,796	722	6,544	84	202	60	12,407
TOTAL CONTAINERS	26,871	0	4,465	11,930	5,350	0	0	0	55,891	8,413	100,753	1,030	2,488	734	169,310
DROP BOX (PICKUPS)	0	8,062	1,064	2,842	0	11,168	3,930	2,200	25,492	3,837	0	452	1,092	322	31,196
MILEAGE & MISC.															
RESIDENTIAL (Excludes RECYCLING Rev & Exp)															
1 Can Weekly	11,656		1,937	5,175	2,321				38,336	5,771	44,248	471	1,138	336	90,300
2 Can Weekly	6,182		1,027	2,745	1,231				17,384	2,617	23,856	223	538	159	44,777
3 Can Weekly	698		116	310	139				1,728	260	2,701	21	50	15	4,775
4 Can Weekly	204		34	91	41				481	72	810	6	14	4	1,388
5 Can Weekly	146		24	65	29				330	50	856	4	10	3	983
Carry Out	5		1	2	1				9	1	0	1	1	0	13
1 Can 2x/Mo	778		129	345	155				3,710	559	2,954	52	126	37	7,438
2 Can 2X/Mo	22		4	10	4				84	13	85	1	2	1	186
1 Can Monthly	190		32	84	38				1,561	235	721	20	49	15	2,602
COMMERCIAL															
1Yard-1st 4	3,660		608	1,625	729		1,092		8,876	1,336	14,167	166	402	119	25,065
1 Yard-Extra	909		151	404	181		0		1,645	248	3,519	35	85	25	5,556
1.5 Yard-1st 4	5,156		857	2,289	1,026		1,483		12,044	1,813	21,478	209	505	149	36,199
1.5 Yard-1Extra	3,642		605	1,617	725		0		6,589	992	15,171	129	312	92	23,285
2Yard-1st 4	4,808		799	2,135	957		1,355		10,979	1,653	20,876	206	497	147	34,358
2 Yard-Extra	4,787		795	2,125	953		0		8,660	1,304	20,784	185	448	132	31,514
Cans-Minimum	347		58	154	69		0		1,292	194	1,453	19	45	13	3,016
Cans	1,215		202	540	242		0		3,504	527	5,091	65	157	46	9,391
Drive-in	5		1	2	1		0		9	1	0	1	3	1	15
Hourly Charge	2,677		445	1,188	533		0		4,843	729	0	27	65	19	5,683
CC Permit	50		8	22	10		0		113	17	0	8	20	6	164
Yardage	1,179		196	523	235		0		2,133	321	4,758	63	151	45	7,471
DROP BOXES															
20 Yd-1st		948.47	125	334		1,313.88			3,976	599		51	123	36	4,785
Additional		4,031.00	532	1421		5,584.00			11,568	1,741		184	445	131	14,069
30 Yd-1st		474.24	63	167		656.94			2,074	312		33	80	24	2,523
Additional		1,422.71	188	501		1,970.82			4,083	615		89	214	63	5,063
40 Yd-1st		237.12	31	84		328.47			1,070	161		21	50	15	1,316
Additional		948.47	125	334		1,313.88			2,722	410		75	181	53	3,440

XYZ DISPOSAL COMPANY COST OF SERVICE STUDY	C	D	E	F	G	H	I	J	K	L	P	Q	R	S	T	W	
	NUMBER OF CUSTOMERS ORIGINAL DATA	NUMBER OF MONTHLY PICKUPS ORIGINAL DATA	ADJUSTED NUMBER OF CUSTOMERS OR PICKUPS PROF. GOAL	PICK UP FREQ.	PROXY FOR NO. OR CUS- TOMERS	CONT. SPEC FORM.	CURRENT TARIFF RATE	CURRENT MONTHLY REVENUE PROFORMA	CURRENT ANNUAL REVENUE MONTHLY*12 (UNADJ.)	ADJUSTED ANNUAL REVENUE TO MEET PRO.GOALS	UNIT WT. (LBS)	UNADJ. TOTAL WEIGHT TONS	ADJUSTED TOTAL WEIGHT TONS	UNIT STOP TIME SECS.	ANNUAL STOP TIME HOURS EQPT. HRS	ALL NON- DROP BOX STOP TIME	RUN TIME (HOURS)
TYPE OF SERVICE UNITS	RES.ADJ F= CC CN ADJ F=	SAME AS L7 SAME AS L8 SAME AS L9	SEE ADJ. ANNUAL REVENUE	PER YEAR	DROP BOX UNITS (FOR REP. & DEPR.)		GOALS: \$128,537 \$179,215 \$28,592	RES.ADJ F= CC CN ADJ F DR. BOX =	0.9831 1.05326 0.99485	ADJ.FAC>> NON-DR DR BOX	0.9831 1.05326 0.99485	ADJ.FAC>> NON-DR DR BOX	0.86415 1.04868			408	
TOTAL ALL SERVICES	1,483	6,613	2,790		1,471	197	27,470	329,640	336,344	23,776	3,420	3,069	5,301	774	2,714		
RESIDENTIAL	1,252	5,012	1,231		1,228	0	10,896	130,640	128,537	495	1,162	1,004	226	312	956		
COMM. CANS	83	546	477		87	0	1,065	12,781	13,462	58	100	87	18	17	82		
TOTAL CONTAINERS	141	1,021	1,075		149	186	13,114	167,372	165,753	1,623	1,542	1,332	5,057	445	1,268		
DROP BOX (PICKUPS)	7	34	7		7	11	2,395	28,740	28,592	21,600	616	646	0	0	0		
MILEAGE & MISC.																	
RESIDENTIAL (Excludes RECYCLING Rev & Exp)																	
1 Can Weekly	779	3,376	765.84	52	765.84		8.25	6247	77,121	75,818	34	677	585.03	16.84	186.29	556.72	
2 Can Weekly	280	1,213	275.27	52	275.27		10.85	3038	36,456	35,840	51	365	315.42	23.62	93.92	300.16	
3 Can Weekly	21	91	20.65	52	20.65		13.45	282	3,389	3,332	77	41	35.72	35.24	10.51	33.99	
4 Can Weekly	5	22	4.92	52	4.92		16.05	80	963	947	97	12	10.72	40.00	2.84	10.19	
5 Can Weekly	3	13	2.95	52	2.95		18.65	56	671	660	117	9	7.75	45.00	1.92	7.38	
Carry Out	3	13	2.95	52			2.4	7	86	85		0	0.00	7.67	0.33	0.00	
1 Can 2x/Mo	104	225	102.24	26	102.24		6.85	712	8,549	8,404	34	45	39.05	16.84	12.43	37.16	
2 Can 2X/Mo	2	4	1.97	26	1.97		6.85	14	164	162	51	1	1.13	23.62	0.34	1.07	
1 Can Monthly	55	55	54.07	12	54.07		5.07	279	3,346	3,290	34	11	9.53	16.84	3.04	9.07	
COMMERCIAL																	
1Yard-1st 4	49	196	206.44	12	51.61	51.51	10.80	2,117	25,402	26,754	175	247	187.361		55.05	178.25	
1 Yard-Extra		49	51.27	12	0.00		9.20	448	5,374	5,660	175	54	46.52		13.67	44.27	
1.5 Yard-1st 4	52	208	219.08	12	54.77	70.1	12.80	2,662	31,949	33,650	250	329	283.97		58.42	270.23	
1.5 Yard-1Extra		147	154.74	12	0.00		11.20	1,646	19,746	20,798	250	232	200.58		41.27	190.88	
2Yard-1st 4	39	156	164.31	12	41.08	64.08	16.80	2,621	31,450	33,125	324	319	276.02		43.82	262.67	
2 Yard-Extra		155	163.58	12	0.00		15.20	2,361	28,329	29,837	324	318	274.8		43.62	261.5	
Cans-Minimum	28	121	29.49	52	29.49		8.44	236	2,836	2,987	29	22	19.22		3.83	18.29	
Cans	55	425	447.63	12	57.93		1.95	829	9,945	10,475	29	78	67.31		13.43	64.05	
Drive-in		3	3.16	12	0.00		4.40	13	158	167		0	0.00		0.32	0.00	
Hourly Charge		14	14.22	12	0.00		25.50	344	4,131	4,351		0	0.00		170.63	0.00	
CC Permit	1	1	1.05	12	1.05		104.73	105	1,257	1,324		0	0.00		3.16	0.00	
Yardage		92	97.07	12	0.00		8.66	798	9,577	10,087	125	73	62.91		15.28	59.87	
DROP BOXES																	
20 Yd-1st	4	4	3.98	12	3.98	5.97	85.00	340	4,080	4,059	2400	57	60.09			48	
Additional		17	16.91	12			60.00	1,020	12,240	12,177	2400	244	255.4			204	
30 Yd-1st	2	2	1.99	12	1.99	3.42	95.00	190	2,280	2,268	3600	43	45.07			24	
Additional		6	5.97	12			70.00	420	5,040	5,014	360	129	135.21			72	
40 Yd-1st	1	1	0.99	12	0.99	1.88	105.00	105	1,260	1,254	4800	29	30.05			12	
Additional		4	3.98	12			80.00	320	3,840	3,820	4800	115	120.19			48	

Sept 29, 1993

XYZ GARBAGE COMPANY, INC.
EXPENSE MATRIX
12 MONTHS ENDED 12-31-92

	DROP BOX PASS THRU REVENUE	OFFICE AND OVERHEAD EXPENSES	REGULAR ROUTE DRIVER PAYROLL +FRINGE	DROP BOX DRIVER PAYROLL +FRINGE	MECHANICS WAGES PAYROLL AND +FRINGE (SHOP)	ALL OTHER SHOP EXPENSES COMBINED EQUIPMENT UTILITY	REGULAR ROUTE TRUCK UTILITY DEPREC.	DROP BOX ROUTE TRUCK UTILITY DEPREC.	CONTAINER REPAIR (ALL EXP.)	CONTAINER DEPRE- CIATION	DROP BOX REPAIR (ALL EXP.)	DROP BOX DEPRE- CIATION	OFFICERS PAYROLL AND FRINGES	REGULAR DISPOSAL FEES EXCEPT DROP BOX PASS/THRU	WUTC FEES	
	EXP	EXP	EXP	EXP	EXP	EXP	EXP	EXP	EXP	EXP	EXP	EXP	EXP	EXP	EXP	
OPERATING REVENUES																
RESIDENTIAL	128,537	0	1	2	3	5	6	7	9	11	12	13	14	19	20	21
COMMERCIAL	179,215															
DROP BOX	28,592															
DROP BOX PASS THRU	44,443															
TOTAL OPERATING REVENUE	380,787															
OPERATING EXPENSES																
PARTS & REPAIRS	6,197					4,496				998		703				
TIRES	1,591					1,591										
DRIVERS WAGES	42,802		36,682	6,120												
MECHANICS WAGES	7,175				7,175											
FUEL & OIL	8,560					8,560										
OTHER COLLECTION EXP.	55					55										
DISPOSAL FEES:																
-REGULAR	183,259													183,259		
-PASS THROUGH	44,146	44,146														
ADVERTISING	359		359													
PL & PD INSURANCE	9,500					9,500										
WORKMAN'S COMPENSATION	3,633		52	2,652	442	487										
OFFICERS WAGES	19,417															
OFFICE WAGES	7,815		7,815											19,417		
OFFICE EXPENSE	3,602		3,602													
LEGAL & ACCOUNTING	4,433		4,433													
UTILITIES	2,946		2,946													
EMPLOYEE WELFARE	10,864		1,536	5,864	980	838								1,647		
BAD DEBT COLLECTION	1,686															
REGULATORY EXPENSE	2,365														2,365	
OTHER GENERAL EXPENSE	1,424		1,424													
AMORIZATION EXPENSE	85		85													
Depr-COLLECTION EQUIPMENT	15,557							7,204	8,353							
Depr-CONTAINERS	4,429									2,932		1,497				
Depr-SERVICE EQUIPMENT	92					92										
Depr-OFFICE F&F	1,596		1,596													
VEHICLE LICENSES & FEES	5,230							2,415	2,815							
R.E. & P.P. TAXES	228		228													
PAYROLL TAXES - FICA	5,906		598	2,806	468	549								1,485		
PAYROLL TAXES - FUTA	205		1	155	26	22										
PAYROLL TAXES - SUTA	202		1	154	26	22										
B & O TAXES	5,712															
OTHER LICENSES	379		379													
OPERATING RENTS	7,247		7,247													
OTHER INS & SAFETY	389		389													
OTHER DEDUCTIONS	280		280													
TAXES & LICENSES	155		155													
TOTAL OPERATING EXPENSES	409,521	44,146	33,126	48,313	8,062	9,093	24,294	9,619	11,168	998	2,932	703	1,497	22,549	183,259	2,365

SECTION 9 – LESS THAN STATUTORY NOTICE HANDLING (LSN):

(A sample completed LSN form is shown on the following page.)

The commission may allow tariff filings to become effective with less notice than is shown in WAC 480-70-262 and 480-70-271 when there is an emergency or when merit is shown. This process is known as "less than statutory notice" (LSN) handling. A company filing for LSN handling may use an LSN form supplied by the Commission, or a letter containing at least the following information:

- (1) Company identification information:
 - (a) Name and registered trade name;
 - (b) Certificate number;
 - (c) Address;
 - (d) Telephone number, e-mail address, and FAX number; and
 - (e) Name and telephone number of a person to contact regarding the filing;

- (2) Tariff identification information:
 - (a) Number of the tariff being amended;
 - (b) Identifying number and title of the tariff item(s) being amended; and
 - (c) Number of the tariff page being amended;

- (3) Concise description of the provisions being proposed;

- (4) Reason(s) for requesting LSN handling; and

- (5) Effective date requested.

Applications for LSN handling must include full cost justification for the proposed rates.

NOTE: All pages submitted with an LSN application must show an effective date that is at least 45 days after the filing is received by the Commission's Records Center. If the Commissioners approve your LSN filing, the effective date authorized by the Commission will be noted on the pages of the filing, and copies will be returned to you.

LSN applications are considered at one of the Commission's Open Public Meetings. To be considered at a specific meeting, the completed LSN application and all necessary documentation must be received at least seven days before that meeting.

Commission Docket No. _____

Agenda Date Assigned _____

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

LESS THAN STATUTORY NOTICE REQUESTED BY:

Company name: _____ Certificate No. _____ UBI No. _____

Registered Trade Name(s) _____

Company proposes to change: _____ Number _____

Present provisions are:

Proposed changes are:

Indicate below, or attach, an explanation of the reason the company requests permission to file and publish the proposed provisions with less than statutory notice.

(This section to be completed if filing is made by other than owner, partner, or corporate officer of the company)

Name and title of issuing agent _____ is authorized to issue and file tariffs and/or time schedules on behalf of (name of company) _____

Signature and title of authorizing agent (company official) _____

Telephone number/fax/e-mail of authorizing agent _____

I request these provisions become effective on the following date: _____

Signature and Title of Issuing Agent: _____

Printed name and Title of Issuing Agent: _____

Telephone () _____ FAX () _____ E-mail _____

Mailing Address _____ City _____ State _____ Zip _____

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

ORDER

The Commission finds good cause to support the request and authorize the proposed changes to become effective with Less Than Statutory Notice on: (Date) _____.

DATED and signed at Olympia, Washington, the _____ day of _____ (Month/Year)

By direction of the Commission,

Secretary