

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition filed by:	DOCKET TG-250486
WASTE MANAGEMENT OF WASHINGTON, INC., d/b/a WASTE MANAGEMENT OF SPOKANE,	ORDER 01
Requesting Authority to Retain 50 Percent of the Revenue Received from the Sale of Recyclable Materials Collected in Residential Recycling Service; Requesting Less-Than-Statutory Notice to Commission and Customers	AUTHORIZING REVENUE SHARING FOR RECYCLABLE COMMODITIES REVENUE AND ALLOWING RECYCLABLE COMMODITY CREDIT ADJUSTMENT; GRANTING LESS-THAN-STATUTORY NOTICE TO COMMISSION AND CUSTOMERS

BACKGROUND

1 On June 20, 2025, Waste Management of Washington, Inc., d/b/a Waste Management Spokane, Valley Garbage Service Co., (Valley Garbage or Company) filed with the Washington Utilities and Transportation Commission (Commission) a request for revised commodity credits that result in increasing rates to residential and multifamily recycling customers and also a request to retain up to 50 percent of the revenue received from the sale of recyclable materials during the 2024-2026 recycling plan period. The Company serves approximately 27,800 residential and 300 multifamily recycling customers in Spokane County.

PROPOSED 2025-2026 COMMODITY CREDITS

2 The Company filed tariff pages on June 20, 2025, proposing a residential commodity credit decrease from a credit of \$1.98 to a credit of \$0.20 per month, resulting in an overall increase in recycling rates for single-family residential customers of \$1.78 per month. For multi-family customers, the filed tariff reflects a commodity credit decrease from \$0.62 to \$0.29 per month, resulting in increased recycling rates of \$0.33 per month for the period August 1, 2025, to July 31, 2026. The proposed commodity credits reflect the effect of the Commission-approved deferred accounting mechanism.

- 3 The requested commodity price adjustment in the second year of the of the active 2024-2026 approved recycling plan and revenue sharing agreement (Plan). The Company will need to provide a complete review and supporting documents from Spokane County for the Plan in its next commodity price adjustment.

ACTIVE 2024-2026 RECYCLING PLAN AND REVENUE SHARING

- 4 Under RCW 81.77.185, the Commission shall allow a solid waste collection company collecting recyclable materials to retain up to 50 percent of the revenue paid to the company for the material if the company submits a plan to the Commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed back to customers.
- 5 Pursuant to that statute, Spokane County (County) and Valley Garbage have initiated a revenue sharing plan (Plan) that began August 1, 2024, and that expires July 31, 2026. According to the Plan, the Company will, subject to approval by the Commission, be allowed to retain 50 percent of the revenue received for the sale of recyclable commodities collected in its curbside recycling operations in Spokane County. The retained revenue will be used to increase recycling in Spokane County through initiatives and tasks outlined in the plan. For the 2024-2026 plan period, the Company projects it will earn \$1,664,382 in revenue from the sale of recyclable commodities from 27,180 regulated recycling customers, allowing the Company to retain \$832,200.
- 6 For the 2024-2026 plan period the Company provided the following budget: Task 1 - “Knowledge Sharing” (\$361,525); Task 2 - “Equitable Outreach” (\$140,000); Task 3 – “Community Events - Reducing Contamination and Waste” \$20,000; Task 4 - “Focused Education of Younger Minds” (\$290,000); Task 5 - “Multifamily Recycling and Reduction of Contamination” (\$65,000). The Plan also provides for a five percent performance incentive for increasing per capita diversion rates by five percent, the total available performance incentive bonus for the two-year plan period is \$43,830.
- 7 Kyle Twohig, Spokane County Senior Director of Public Works, signed the Plan and certified that it is consistent with Spokane County’s Comprehensive Solid Waste Management Plan. Spokane County recommends that the Commission allow the Company to retain up to 50 percent of the actual value of recyclable commodity revenues received each of the two years of the plan from August 1, 2024, to July 31, 2026.

8 This plan was approved in Docket TG-240453 on August 29, 2024.

LESS THAN STATUTORY NOTICE

9 Waste Management filed its commodity price adjustment request on June 20, 2025, 42
days from the requested date of effectiveness. RCW 81.28.050 provides that a solid waste
collection company may not change its tariff rates “except after forty-five days' notice to
the commission and to the public.... The Commission, for good cause shown, may by
order allow changes in rates without requiring the notice and the publication time periods
specified in this section.” Implied in this section is the Commission’s ability to grant the
waiver of the notification period on its own motion, which is recognized in Commission
rules.

10 Waste Management filed a request for less-than-statutory notice with its request,
specifically requesting for less-than-statutory notice to customers in line with historical
practice of the Commission under WAC 480-70-271(2)(a), which allows notification on
the first invoice after approval. This allows the Company to reduce costs for notifications
to customers by including the notice on the invoices rather than separate notices.

11 Commission staff (Staff) recommends the Commission, on its own motion, allow the new
rates to become effective on less-than-statutory notice to the Commission. Staff had
adequate time to review and ask questions about the commodity price adjustment,
ensuring the calculations of the proposed adjustments were correct.

12 Staff recommends that the Commission grant the Company’s request to retain up to 50
percent of the recyclable commodity revenue collected during each year of the Plan and
allow the recycling commodity credits filed by Waste Management of Spokane on June
20, 2025, to go into effect August 1, 2025.

DISCUSSION

13 We agree with Staff’s recommendation and grant the Company’s request to retain up to
50 percent of the recyclable commodity revenue collected during each year of the Plan
and allow the recycling credits filed by the Company to go into effect by operation of law
on August 1, 2025. We address each of the Company’s requests in turn.

14 First, the Company has met the requirements of RCW 81.77.185. The Commission
approved the Company’s plan – which was certified by the appropriate local government

authority as consistent with the local solid waste plan – which demonstrates how the revenues will be used to increase recycling. Spokane County recommends that the Commission allow the Company to retain up to 50 percent of the actual value of recyclable commodity revenues received each of the two years of the plan from August 1, 2024, to July 31, 2026. As such, we grant the Company’s request to retain up to 50 percent of the recyclable commodity revenue collected during each year of the Plan.

15 We find that the Company’s proposed commodity credits, which reflect the effect of the Commission-approved deferred accounting mechanism, are consistent with the public interest.

16 We also find that granting the request for less-than-statutory notice is in the public interest. By reducing the operating costs for sending a separate notification, the Company is lowering the costs that would normally be passed on to customers.

FINDINGS AND CONCLUSIONS

17 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, regulations, practices, accounts, and affiliated interests of public service companies, including solid waste companies.

18 (2) Waste Management is engaged in the business of providing solid waste services within the state of Washington and is a public service company subject to Commission jurisdiction.

19 (3) This matter came before the Commission at its regularly scheduled meeting on July 24, 2025.

20 (4) Under RCW 81.77.185, the Commission shall allow a solid waste collection company collecting recyclable materials to retain up to 50 percent of the revenue paid to the company for the material if the company submits a plan to the Commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan, and that demonstrates how the revenues will be used to increase recycling. RCW 81.77.185 states that the remaining revenue shall be passed back to customers.

21 (5) Spokane County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Director of Spokane County’s Solid Waste

Division certified that Valley Garbage's recycling plan is consistent with Spokane County's Comprehensive Solid Waste Management Plan.

- 22 (6) Valley Garbage's request to retain up to 50 percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs from August 1, 2024, to July 31, 2026, is consistent with RCW 81.77.185, and the Commission finds that Valley Garbage's request should be granted.
- 23 (7) Under RCW 81.28.050, solid waste companies must provide the Commission and customers with 45-day notice of rate changes. RCW 81.28.050 allows the Commission to grant less-than-statutory notice to the Commission and customers upon a showing of good cause.
- 24 (8) Waste Management filed with the Commission a request for less-than-statutory notice to customers, however, it did not request less-than-statutory notice from the Commission.
- 25 (9) The Commission is allowed to grant less-than-statutory notice on its own motion.
- 26 (10) It is in the public interest to allow the revisions to Tariff No. 18, filed on June 20, 2025, to become effective on August 1, 2025. It is also in the public interest to grant the request for less-than-statutory notice to the Commission and customers.

ORDER

THE COMMISSION ORDERS:

- 27 (1) Provided Waste Management of Washington, Inc., d/b/a Waste Management of Spokane, complies with the Plan as set forth in this Order, Waste Management of Washington, Inc., d/b/a Waste Management of Spokane may retain up to 50 percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs from August 1, 2024, to July 31, 2026.
- 28 (2) Waste Management of Washington, Inc., d/b/a Waste Management of Spokane, shall make a compliance filing with the Commission no later than June 15, 2026, in which Waste Management of Washington, Inc., d/b/a Waste Management of Spokane shall identify the amount of revenue it retained, the amount of money it

spent on the activities identified in the Plan, and the effect the activities had on increasing recycling.

- 29 (3) The commodity credits filed by Waste Management of Washington, Inc., d/b/a
Waste Management of Spokane, on June 20, 2025, are allowed to go into effect by
operation of law.
- 30 (4) Less-than-statutory notice is granted for notice to the Commission and Customers.
- 31 (5) The Commission delegates the Secretary the authority to approve by letter all
compliance filings required in this Order.
- 32 (6) The Commission retains jurisdiction over the subject matter and Waste
Management of Washington, Inc., d/b/a Waste Management of Spokane, to
effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective July 24, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFF KILLIP
Executive Director and Secretary