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State of WASH.  
UTIL. AND TRANSP.  
COMMISSION

November 12, 2018

Washington Utilities and Transportation Commission  
Chandler Plaza Building  
1300 S. Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504-7250

Subject: Waste Management of Seattle and Waste Management -South Sound, divisions of Waste Management of Washington, Inc. (G-237); Tariff # 23

Enclosed are revised pages 2, 6, 22,23,25, 25A, 27, 29, and 34-37 to the above-referenced tariff. The purpose of these tariff revisions is threefold. First, residential and commercial rates are being adjusted due to the increase in the King County disposal fees. Second, the King County Board of Health is increasing their Local Hazardous Waste Fees. Third, the revisions also reflect the change in the commodity credits for residential and multi-family customers receiving recycling collection services.

The King County Council approved the increase in disposal fees from \$134.59 to \$140.82 per ton as reflected in King County Ordinance No.18784, a copy of which is included with this filing. The increased rates, if approved by the Commission, would approximately increase Company revenue by \$191,000, and residential and commercial garbage rates by approximately 2.2%. In addition, the King County Board of Health increased the Local Hazardous Waste Fees 5.4%. The effective date for both of these proposed tariff revisions is January 1, 2019.

As mentioned above, the tariff revisions also to reflect the change in the commodity credits for residential and multi-family customers receiving recycling collection services. These tariff revisions reflect a decrease of the current commodity credit from \$1.42 to a charge of \$0.78 per month for residential customers. Multi-family commodity credits are decreasing proportionately to the decreases to residential customers. As a result, this filing also seeks approval to implement an increase in customers' solid waste collection rates in addition to the disposal fee increase.

The decrease in the commodity credit is jointly due to the change in commodity values, tonnages and materials composition since the commodity credit adjustment on January 1, 2018. Furthermore, with this filing we are requesting a deviation from the prior practice of estimating the projected revenues based on the revenues received over the past 12 months. We believe that due to the impacts of China's National Sword policy, this is not representative of what we can reasonably expect that commodity values will be over the next 12 months. Accordingly, we feel that a more reasonable measure of the projected commodity revenues should be based on the most recent six months which is near the time when this policy was implemented on January 1, 2018. We believe this change will mitigate a much larger impact on future changes in the annual commodity rebates. We are requesting that the proposed effective date of these tariff revisions be January 1, 2019.

As a reminder of context, the change in commodity credits are being submitted mid-way through the two-year Revenue Sharing Plan with King County for 2018 - 2019. It only reflects the changes to the commodity rebates due to actual prices and quantities over the past 12 months. It does not make other adjustments that will be required upon completion of the Plans. In accordance with RCW 81.77.185 and the approved Plan, the Company will continue to retain up to and 50.0% of recycling commodity revenues to be spent on program activities. At the end of the two-year period, these revised commodity credits will be subject to additional adjustments to reflect any incentives earned by the Company and amounts of retained revenue over or under spent to comply with the tasks in the Revenue Sharing plan. This filing includes a report on expenditures to date but does not indicate any amounts over or under spent because the Plan activities are still ongoing. Along with

any changes attributable to commodity values and tonnages during the next 12-month period, retained revenue adjustments will be addressed in our filing in 2019 at the completion of the two-year plan period.

Enclosed for your review are our accounting work papers and other filing documents. Customers will be notified of the change in their collection rates due to the change in disposal fees on their next regularly scheduled billing after the approval of the Commission. In addition, due to the change in the commodity credit resulting in a charge, the commission is requiring that customers be notified of this change in accordance with WAC 480-70-271(4)(c). These notices will be mailed on or before December 1, 2018.

If you have any questions or need additional information, please contact me at (425) 814-7840.

Very truly yours,



Michael Weinstein  
Senior Pricing Manager, Pacific Northwest Market Area

cc: Jeff McMahon, Marc Davis & Carlton Paulmier, Waste Management  
Pat McLaughlin & Jeff Gaisford, King County Solid Waste Division