



FROM: Jaclynn Simmons
DATE: August 17, 2022
SUBJECT: TG-220414, Rubatino Refuse Removal, Inc.

Discussion:

Rubatino Refuse Removal, Inc. (Rubatino or company) is a Class “A” solid waste company as defined in rule; WAC 480-70-041 with over \$19.8 million in regulated intrastate gross revenues. As required in WAC 480-70-079, the company filed on May 25, 2022 with the Utilities and Transportation Commission (UTC or commission) a report on its affiliated interest and subsidiary transactions.

Scope of Staff Investigation:

Staff will examine the filing in UTC Docket TG-220414 and answers the following questions:

1. Does the information provided by the company meet the requirements of WAC 480-70-079?
2. As a result of examining the transactions contained in this filing, what areas and elements of affiliate contracts and arrangements will need to be examined in a future rate case to validate that they are reasonable and consistent with the public interest?

Requirements set forth in WAC 480-70-079:

WAC 480-70-079 requires regulated solid waste companies to provide the commission with the following information relating to transactions between a regulated solid waste company and its affiliate(s):

<i>Requirement</i>	<i>Staff opinion</i>
Corporate organization chart of the company and its affiliated interests and subsidiaries (WAC 480-70-079 (2)).	Rubatino has met this requirement.

For 2021, Rubatino is reporting transactions with four separate affiliates. They are:

1. Reclamation, Inc. – provides recycle processing and brokering for Rubatino’s collection operation (\$1,071,254).
2. Truckcare, LLC – provides equipment repair services for Rubatino’s fleet of trucks (\$2,681,887);

3. ETJ, LLC - Leases to Rubatino facilities housing its operations (\$187,202).
4. R G Real Estate- Leases to Rubatino facilities housing its operations (\$67,429).

<i>Requirement</i>	<i>Staff opinion</i>
WAC 480-70-079 (3) states that if total affiliated interest or subsidiary transactions are less than \$100,000 for the reporting period, the company must provide the name of the affiliated interest or subsidiary participating in the transactions and the total dollar amounts of the transactions.	Rubatino has met this requirement. <hr/> R G Real Estate- Received an annual payment of \$67,429 for rents from Rubatino in 2021. <hr/>
For transactions over \$100,000 the following information is also required by rule (WAC 480-70-079 (3) (a) through (g) and WAC 480-70-079 (4))	
<i>Requirement</i>	<i>Staff opinion</i>
Balance sheet and income statement for such affiliated interest (WAC 480-70-079 (3) (a)).	Rubatino has met this requirement.
Description of the products or services provided to or from the company and each such affiliated interest or subsidiary (WAC 480-70-079 (3) (b)).	Rubatino has met this requirement.
Description of the pricing basis or costing method, and procedures for allocating costs for such products or services, and the amount and accounts charged during the year (WAC 480-70-079 (3) (c)).	Rubatino has met this requirement.
Description of the terms of any loans between the company and each such affiliated interest or subsidiary and a listing of the year-end loan amounts and maximum loan amounts outstanding during the year (WAC 480-70-079 (3) (d)).	Rubatino has met this requirement
Description of the terms and total amount of any obligation or liability assumed by the company for each such affiliated interest or subsidiary (WAC 480-70-079 (3) (e)).	Rubatino has met this requirement.
Description of the activities of each such affiliated interest or subsidiary with which the company has transactions (WAC 480-70-079 (3) (f)).	Rubatino has met this requirement.

<i>Requirement</i>	<i>Staff opinion</i>
A list of all common officers and directors between the solid waste company and each such affiliated interest or subsidiary, along with their titles in each organization (WAC 480-70-079 (3) (g)).	Rubatino has met this requirement.
File copies of affiliated interest contracts and arrangements as stated in WAC 480-70-078 (WAC 480-70-079 (4)).	Reported none.

Areas and Elements Examined in the Next Rate Case:

The amount and terms of rented office space from affiliates and the amounts paid for maintenance of vehicles provided by affiliates, and any potential effect on regulated customer rates. Also, although the loans are not between affiliates, the liability for the loan is shared amongst affiliates based on the amount of shares held by the estate of Thomas Rubatino. The interest and repayment amounts incurred by Rubatino should be examined to ensure regulated rate payers are not responsible for more than their appropriate share of the loan costs.

The rent for office space parking and container holding to ETJ, LLC increase \$37,000 in 2017

The rent for office space to R&G Real Estate increase in 2017 by \$21,000

The rent for office space to R&G Real Estate increased in 2021 by \$27,709.

Conclusion

Take no other action on this filing at this time and close the docket.