

## **Solid Waste Division**

Department of Natural Resources and Parks King Street Center 201 South Jackson Street, Suite 701 Seattle, WA 98104-3855

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July 13, 2011

David W. Danner, Secretary and Executive Director Attention: Gene Eckhardt, Assistant Director Washington State Utilities and Transportation Commission PO Box 47250 Olympia, WA 98504-7250

RE: <u>Dockets TG-101221</u> and <u>TG-101222</u> – Certification of Extended Recycling Plan

Dear Mr. Danner:

The purpose of this letter is to meet the certification requirements in RCW 81.77.185 for the extended recycling plan and revenue sharing agreement submitted in Dockets TG-101221 and TG-101222. The agreement is for Waste Management of Washington Inc., doing business in King County as Waste Management – Sno-King (Tariff No. 15) and Waste Management – South Sound and Waste Management of Seattle (Tariff No. 22).

Waste Management has submitted a three-month Extension of its 2010-2011 plan to the Washington Utilities and Transportation Commission (WUTC) in order to extend revenue-sharing activities from September 1, to November 30, 2011. This Extension is necessary because the revenue sharing plan currently in effect is the subject of administrative adjudication before the Commission. Both King County and Waste Management wish to continue the activities funded by revenue sharing, but do not wish to prepare and submit a new plan until the disputed issues are resolved. During the term of this Extension, we anticipate that WUTC will provide formal direction regarding permissible use of funds retained for revenue sharing by issuing a decision in the dockets identified above. We further expect that this Extension will provide sufficient time for Waste Management and King County to develop and submit a new plan effective December 1, 2011 that meets WUTC directives. We support deferring any changes to the commodity credit until the end of the term of the Extension.

We have reviewed and approved the scope of work and budget submitted by Waste Management. We believe that program costs are reasonable and the funded activities will benefit recycling in King County. It is our understanding that expenditures identified in the budget are not also included in expenditures financed by current customer rates, and will not be included in future rates. We further believe it is acceptable for recycling plans to include a rate of return for the

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company as an incentive to participate in revenue sharing programs. However, we support WUTC oversight in developing guidelines for establishing appropriate levels for rates of return included in recycling plans.

## Certification

In my position as Solid Waste Division Director, I have been delegated the authority to make the certification of this extended plan as required in RCW 81.77.185. I hereby certify that the extended plan submitted by Waste Management is consistent with the King County Comprehensive Solid Waste Management Plan.

Thank you for the opportunity to provide this letter of support and certification. If you have further questions, please contact Bill Reed at 206-296-4402 or <a href="mailto:bill.reed@kingcounty.gov">bill.reed@kingcounty.gov</a>.

Sincerely,

Kevin Kiernan Division Director