

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	)	DOCKET TG-090923
	)	
WASTE MANAGEMENT OF	)	ORDER 01
WASHINGTON, INC., DBA WASTE	)	
MANAGEMENT - SPOKANE,	)	
G-237,	)	
	)	
Petitioner,	)	
	)	
	)	
Requesting Tariff Revisions To	)	ORDER APPROVING
Commodity Credits for Residential	)	COMMODITY CREDITS AND
Curbside and Multi-Family Recycling	)	REQUIRING DEFERRED
Services To Become Effective	)	ACCOUNTING TREATMENT
August 1, 2009	)	FOR RECYCLABLE
.....	)	COMMODITIES REVENUE

**BACKGROUND**

- 1     On June 16, 2009, Waste Management of Washington, Inc., dba Waste Management – Spokane (Waste Management or Company) filed with the Washington Utilities and Transportation Commission (Commission) revised Page Nos. 2, 21, and 25 to its current Tariff No. 16, and filed a revised Page No. 21 on June 30, 2009.
- 2     The filing proposes to decrease the commodity credits that Waste Management pays to residential and multi-family customers for the value of the recyclable materials that the Company collects as part of its residential curbside and multi-family recycling services. The stated effective date is August 1, 2009. The proposed monthly credit for residential curbside recycling customers decreases from \$1.32 to \$.19. Multi-family recycling monthly credits also decrease from \$0.21 to \$0.03 per container yard.
- 3     The Commission has not issued an order authorizing the Company to use a deferred accounting treatment mechanism to adjust the amount paid to customers for the sale of recycled commodities. Waste Management has filed annual commodity adjustments using the same methodology the Commission established for other companies with authorized deferred accounting treatment. The commodity adjustment has two components: a true-up component that, for the previous twelve-month test period, compares the estimated commodity value to actual commodity value, and an estimate of

the revenue (cost) of the next twelve months using the average twelve-month test period revenue (cost).

- 4 Staff recommends that the Commission require Waste Management to implement deferred accounting treatment for the revenue (cost) received (paid) from the sale (disposal) of recyclable commodities collected in the Company's recycling service using the most recent twelve-month test period to true-up the estimated revenue to actual revenue, and to estimate revenue for the next twelve-month period. Staff also recommends that the Commission condition its approval on Waste Management making its next commodity adjustment effective August 1, 2010, and each August 1 thereafter, and that the Company make all future commodity adjustment filings forty-five days prior to the proposed effective date to give Staff sufficient time to review the filing.

#### FINDINGS AND CONCLUSIONS

- 5 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts and affiliated interests of public service companies, including solid waste companies. *RCW 80.01.040, RCW 81.01, RCW 81.04, RCW 81.16, RCW 81.28 and RCW 81.77.*
- 6 (2) This matter came before the Commission at its regularly scheduled meeting on July 30, 2009.
- 7 (3) 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.
- 8 (4) After reviewing Waste Management's request to allow the proposed commodity credits filed on June 16, 2009, to become effective August 1, 2009, and giving due consideration, the Commission finds that Waste Management's requests are reasonable and should be granted. The Commission also finds it is reasonable to require Waste Management to implement deferred accounting treatment of the revenue (cost) received (paid) from the sale (disposal) of recyclable commodities collected from residential and multi-family customers.

**ORDER**

**THE COMMISSION ORDERS:**

- 9 (1) The proposed tariff revisions Waste Management of Washington, Inc., dba Waste Management – Spokane filed on June 16, 2009, and June 30, 2009, will be effective on August 1, 2009.
- 10 (2) Waste Management of Washington, Inc., dba Waste Management – Spokane is required to use deferred accounting treatment of the recycling commodity revenues and costs related to its residential and multi-family recycling services. Waste Management of Washington, Inc., dba Waste Management – Spokane shall make its next commodity adjustment effective August 1, 2010, and each August 1 thereafter, and shall make all future commodity adjustment filings forty-five days prior to the proposed effective date.
- 11 (4) The Commission delegates to the Executive Secretary the authority to approve by letter all compliance filings required in this Order.
- 12 (5) The Commission retains jurisdiction over the subject matter and Waste Management of Washington, Inc., dba Waste Management – Spokane to effectuate the provisions of this Order.

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

DATED at Olympia, Washington, and effective July 30, 2009.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Executive Director and Secretary