



December 22, 2003

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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

TG-030711

WASTE MANAGEMENT

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Seattle, Washington 98104
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Carole J. Washburn, Executive Secretary
Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

Re: Submittal of Reports

Dear Ms. Washburn:

Let me begin by apologizing to the WUTC for the late delivery of the quarterly reports required by TG-030711, 030712, 030713 and 030923. In King County we began our new curbside recycling program in August of 2003; and therefore, Waste Management operations servicing this County should have submit their reports by the end of October. In our Snohomish County service areas we did not begin delivery of our new curbside recycling services until the fourth quarter of 2004; therefore, it is our understanding that these reports are not due until the end of January and we should have no trouble meeting that deadline.

As we were preparing the reports last October, we discovered errors in the way the data was being developed. In response to that discovery, Waste Management has undertaken an extensive review of how the tonnage information has been allocated between customer groups and the methods of determining residential customer participation statistics. We are currently finalizing the reports for King County and should be mailing these reports by January 9, 2004. Below you will find a more detailed summary of the problems we have corrected over the last several months.

System Overview

Each day, route participation data (e.g. number of homes serviced) and the tonnage information is documented by the driver. That information is then input into a reporting database. If necessary, the database then allocates tons between customer groups (residential, multifamily and commercial) and jurisdictions (if applicable) based on container capacities as determined from our billing database. The reporting database then distributes the tons and produces the data needed for the required reports.

Residential Participation Statistics

We discovered that the database was not properly calculating the total number of residential recycling customers that are trucks passed by during a day of collection (total number of homes on a route). We have now remedied the problem retroactively through a manual count and have modified our data input procedures to insure the number of homes is accurate going forward.

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[Signature]

Tons per Month

We discovered a problem with our automated tonnage allocation programming in that it was not assigning the tons properly when a truck serviced two or more different types of customers (e.g. residential and multifamily) on the same day. To correct this problem we first had to go to the drivers and ask them to identify on their route sheets the multifamily and commercial accounts - one cannot always identify these customers by the name used on the account. We then had to correctly designate the customer as either a multifamily or commercial account in our billing system. Finally, we reprogrammed the database so that all the services provided to customers on a given day are measured in terms of "total gallons of service" for the purposes of allocating tons to customer groups.

Please try and appreciate that the remedies to the problems we discovered involved training drivers and getting their input on hundreds of customers, touching those customers individually in our billing database and many, many hours of programming and review. Once in place the system should work smoothly and delays will simply not occur. We have also assigned a very knowledgeable employee the task of preparing all our municipal reports.

We at Waste Management want to thank the WUTC and King County for their understanding and patience with the time it is taking to rectify the situation. We had hoped to have the reports mailed no later than December 21, 2003 but we ran into a final downloading problem and the employee assigned to the programming task is on vacation until January 5th.

If you have any questions, please do not hesitate to give me a call at 206/254-3075. Thank you again.

Very truly yours,



Jerry Hardebeck
Municipal Contract Manager

Cc: Deborah Reynolds, WUTC
Bill Reed, King County
Mike Weinstein, WM
Dean Kattler, WM
Laura Moser, WM