

EXHIBIT A

Missed Pick-ups

1. *Please identify events since 2012 that have led to missed pick-ups for customers company wide, or for specific routes, or for a significant group of customers. Please include:*
 - a. *Year and brief description of event*
 - b. *What services were missed, e.g., residential weekly, drop box, recycling, etc.*
 - c. *Number of customers affected*
 - d. *How missed pickups were resolved, e.g., through refunds, bill credits, extra pick-ups, etc.*

WM response:

Given the continuous, daily operations of WM, this request is vague and unreasonably burdensome. WM has not attempted to comprehensively search all its records and catalog all the details of missed routes over the past ten years. A ten-year period would require information from records dated earlier than required for retention under WAC 480-70-061. Additionally, it is unclear what the Commission Staff considers a “significant group of customers.” WM has not had any events that resulted in missed pick-ups companywide.

Generally speaking, WM experiences missed collections from weather events in the ordinary course of business when conditions render it unsafe for drivers to service their collection routes. WM follows the requirements of its tariffs in these circumstances with respect to credits issued to customers. In addition, there have been at least two notable WM missed pick-up events in the last decade:

- July – December 3, 2021, unincorporated Kitsap County. WM experienced a prolonged shortage of qualified drivers, resulting in missed residential pick-ups of yard waste and recycling. Commission Staff determined there were 3,810 missed yard collections in July and 12,820 missed recycling collections in August. WM issued a total of \$488,606.79 in customer credits, consisting of \$387,916.20 in inconvenience credits for the months of October and November; \$66,031.96 in credits for two or more consecutive missed credits; and additional inconvenience credits under the settlement in that case of \$34,658.63. For additional detail, please see Commission Docket TG-210689.
- July 25 – August 2, 2012, King and Snohomish Counties. WM experienced a labor strike resulting in interrupted collection services in King and Snohomish

Counties, including in Commission-regulated areas. Details of the incident are available in Docket No. TG-121265. The settlement agreement in that case provided for credits to approximately 128,000 Commission-jurisdictional customers across various classes and types of service.

2. *Do you think there should be a specified time limit for resolving missed pick-ups? Why or why not?*

WM response:

The Commission should not mandate a specified time limit for resolving missed pick-ups. Emergent events are when collection companies (and in many situations, individual employees) most need discretion and flexibility in their operations—first and foremost, to protect the public and their drivers. Such conditions also frequently present heightened risks to private, public, and company property. Any bright-line requirement on restoration of service would, under some circumstances, put companies and their employees in the position of choosing between safe service and regulatory compliance, which should never happen.

The vast majority of collection service delays are caused by inclement weather. In these circumstances, the Commission should continue to rely on the judgment of the solid waste collection company, which is in the best position to assess whether service would be “hazardous, unsafe, or dangerous to persons or property.” WAC 480-70-366(2)(b), (c). Recovery from inclement weather is a highly unpredictable and fluid scenario, as roads typically are cleared on a rolling basis and conditions vary widely even on adjacent streets (for example, if one is steeper or has tighter bends than another or receives more shade during a particular time of day), or on the same street over several hours. Snow-covered roads can melt and freeze repeatedly, creating extremely hazardous conditions for WM’s drivers. During these events, WM monitors conditions continuously and makes service decisions based on real-time information.

In accordance with WM’s tariffs, customers who have missed service due to inclement weather are permitted to set out two times the amount of solid waste free of charge on their next collection date. WM is committed to resolving missed pick-ups as soon as practicable without jeopardizing the safety of its drivers and the public. The current rules strike that balance and recognize that each service interruption is unique. If there is concern that a particular decision may have been unreasonable, that concern is most appropriately addressed afterward in light of the specific facts and circumstances, through an investigation and, if needed, appropriate adjudication and penalty.

Moreover, if WM were obligated to guarantee pick-up of any missed collections within a specified time frame, fulfilling that obligation would require it to maintain far

more trucks, equipment, and staff to ensure coverage for these unusual and inherently unpredictable events. These costs would then be passed on to consumers through increased rates. WM does not believe the incremental increase in convenience would justify the magnitude of likely costs customers would bear.

Notice Requirements

- RCW 81.28.050 requires 45 days' notice to the Commission and the public for any solid waste tariff changes. Commission Staff interprets this requirement to override current practices in rule of allowing 30 days' notice to customers for rate or rule changes, 1 day notice to the Commission for rate reductions, and 7 days' notice to the Commission for adding new services to tariffs. This interpretation would also prohibit notice of changes after Commission action.*

WM response:

WM disagrees with the premise. In addition to the paraphrased requirement, RCW 8.28.050 also provides that “[t]he commission, for good cause shown, may by order allow changes in rates without requiring the notice and the publication time periods specified in this section.” That provision embodies the Legislature’s intent not to constrain the Commission’s discretion to conduct business in a practical manner. The Commission duly adopted the current notice rules in General Order No. R-479,¹ so they constitute legislatively authorized exceptions to the default rule referenced in the question.

Legislative history supports this view. The language that concerns Commission Staff appears to be the sentence, “In the case of a solid waste collection company, no such change [to a rate, rule, etc.] may be made except after forty-five days’ notice to the commission and to the public.” That sentence was added to RCW 81.28.050 at Commission request in 1993 by Substitute House Bill 1260.² The legislative history indicates that “[i]ncreased notice to the UTC [was] necessary due to the increased number and complexity of the rate changes submitted to the UTC” by solid waste companies.³ Those rate changes came in response to “major legislation on solid waste

¹ *General Order No. R-479, Order Repealing Rules and Adopting Rules Permanently*, Docket TG-990161 (filed with the Code Reviser March 23, 2001).

² See legislative history information at <https://app.leg.wa.gov/billsummary?BillNumber=1260&Year=1993&Initiative=false>.

³ House Bill Report on SHB 1260, as passed Legislature. <https://lawfilesexternal.leg.wa.gov/biennium/1993-94/Pdf/Bill%20Reports/House%20Historical/1260-S%20BRH%20APL.pdf?q=20220601074946> (summary of testimony in support).

collection and recycling in 1989[.]”⁴ The supporting testimony states the bill’s intent to “provide UTC additional time to review tariff filings in order to avoid exercising suspension authority except for very complex filings.”⁵ The provision was intended to **increase** the Commission’s available time and flexibility to deal with rate filings. There is no evidence of intent to constrain the Commission’s pre-existing flexibility (in the same statute) to reduce the default notice requirements for good cause.

Commission Staff has not identified nor is WM aware of any practical concern with the existing rules. The Commission’s existing notice rules are legislatively authorized exceptions to the statutory default, and WM recommends against changing them absent any practical problem.

WM also agrees with the WRRRA, as detailed more fully in its comments, that there is no conflict between the statutory requirements for notice to the public and the regulatory requirements for notice to collection companies’ individually affected customers.

- a. *How often would this change affect your company – often, not often, never?*

WM response:

Often. Please see response to subpart b, below.

- b. *What processes would you have to change to comply with this requirement?*

WM response:

Currently, WM has a 15-day period between making the tariff filing and the deadline for sending customer notices of the tariff change. This time is often needed to resolve any issues that the Commission Staff might raise regarding the initial filing to ensure a correct customer notice. If WM were required to send customer notices at least 45 days prior to the effective date of a tariff change, it would need to submit filings 60-75 days prior to the effective date of the tariff change to allow for resolution of any issues prior to the mailing.

WM periodically submits filings for rate reductions and new services that benefit customers. These filings are made one day and seven days, respectively, before effectiveness. Delaying the effective date for these filings to 45 days would therefore harm customers.

⁴ Senate Bill Report on SHB 1260, as reported by Committee on Ecology & Parks.
<https://lawfilesexternal.wa.gov/biennium/1993-94/Pdf/Bill%20Reports/Senate/1260-S.SBR.pdf?q=20220601074946>.

⁵ *Id.*

- c. *What suggestions do you have, if any, to create new processes and procedures for providing notices to the commission and customers?*

WM response:

WM is not aware of any practical problems resulting from the current procedures and therefore recommends against any changes.

4. *WAC 480-70-271(2)(d) requires companies to provide notice to customers by bill insert, bill message, message printed on the back of the billing envelope, separate mailing, or by can tag.*

- a. *Would your company be likely to provide notice to customers electronically, if allowed?*

WM response:

Yes.

- b. *Would your company be likely to provide notice to customers electronically if you were required to get and retain permission from each customer who allows electronic notices?*

WM response:

WM has systems in place to request communications preferences and permissions.

Low Income Rates

5. *Does your company currently provide low-income rates to customers?*

WM response:

WM does not provide low-income rates in UTC-regulated service areas because its tariffs do not include them. WM provides low-income rates where required by local contract.

- a. *If so, how many customers by line of service are receiving low-income rates?*

WM response:

N/A. WM does not have low-income rates in UTC areas.

- b. *If so, how do you determine eligibility?*

WM response:

Criteria for low-income rates for solid waste collection, if any, are set and implemented by the contracting local government. WM's tariffs do not include low income rates. WM does offer low-income rates where required by local contract. In those cases, the local government is responsible for evaluating a customer's eligibility

and notifying WM, which merely administers those rates for the customers designated by the contracting government.

- c. *If not, what barriers prevent you from offering low-income rates?*

WM response:

WM is not administratively equipped or well-suited to determine or enforce customers' eligibility for low-income rates, nor to develop or apply the criteria for such rates.

In addition, RCW 81.28.230 requires the Commission to set solid waste collection rates that are just, reasonable, and yield a sufficient compensation for the service rendered. Under cost-of-service ratemaking, if it were determined just and reasonable to charge less to low-income customers for the same service, that would have no impact on the company's revenue requirement (except with respect to the costs of administering the program). The revenue requirement is the aggregate total used to set sufficiently compensatory rates required by statute. Thus, the reduction in revenue from low-income customers would need to be made up by allocating that portion of the revenue requirement to the remaining customers in order to satisfy the Commission's statutory mandate. In other words, the reduction in costs for low-income rates would be reallocated among the other ratepayers.

Finally, WM notes that in 2010, the legislature authorized the Commission to approve discounted rates for low-income customers "[u]pon request of a county" and "as adopted by the county in its comprehensive solid waste management plan." RCW 81.77.195. WM also notes that that statute requires the "[e]xpenses and lost revenues as a result of these discounts must be included in the company's cost of service and recovered in rates to other customers." *Id.*

Electronic Billing

6. *Does your company provide electronic billings or statements?*

WM response:

Yes, electronic billing is available for WM customers.

- a. *If so, how do you determine which customers receive electronic billings or statements?*

WM response:

Customers are able to enroll in paperless billing through www.wm.com.

b. *If so, what is your record retention practice for electronic files?*

WM response:

Electronic billing files are retained for 10 years.

c. *If not, what barriers prevent you from providing electronic billings or statements?*

WM response:

N/A.

7. *Does your company provide electronic payments?*

WM response:

Yes, customers are able to make electronic payments.

a. *If so, what forms do you accept?*

WM response:

Customers may pay by checking account, debit card, credit card, ACH or EFT.

b. *If not, what prevents you from accepting forms of electronic payment?*

WM response:

N/A.

Deposits

8. *Does your company currently collect deposits from residential customers?*

WM response:

No, WM does not collect deposits from residential customers.

a. *If so, please identify all references in your tariff governing residential customer deposits.*

WM response:

N/A.

b. *If so, please discuss the reasons for requiring deposits, and the advantages and disadvantages of collecting deposits.*

WM response:

N/A.

- c. *If not, please discuss why your company chose not to include a provision in the tariff to collect deposits, and the advantages and disadvantages of foregoing deposits.*

WM response:

WM has determined that any benefits from deposits on residential accounts are more than outweighed by the administrative costs involved. Customer deposits require significant administrative and accounting protocols to ensure that such funds are accounted for separately for each customer, with interest credited on amounts held on deposit, conditions on how long deposits may be held, etc. See WAC 480-70-411.

9. *Please provide the following information regarding the residential customer deposits collected by your company in 2018 and 2019, respectively:*

- a. *What was the total dollar amount your company collected for residential customer deposits each year?*

WM response:

N/A.

- b. *How many customer accounts paid deposits each year?*

WM response:

No deposits were invoiced or paid for residential customer accounts in 2018 and 2019.

- c. *What percent of retail revenue did your company derive from residential customer deposits each year?*

WM response:

N/A.

- d. *How many customers used part or all of their deposit to offset account balances?*

WM response:

N/A.

10. *If available, please identify the percentage of low-income customers who paid deposits each year in 2018 and 2019, respectively.*

WM response:

N/A.

Late fees

11. Does your company's tariff currently include a late fee for residential customers?

WM response:

Yes.

a. If so, please identify all appropriate tariff references.

WM response:

Item 18 of the below tariffs provides that customers with past due accounts after the delinquency dates specified in the tariff will be charged a late fee of 1% per month on outstanding balances. The minimum charge per month is \$1.00.

- Tariff No. 12, Waste Management of Ellensburg
- Tariff No. 14, Waste Management of Greater Wenatchee
- Tariff No. 16, Waste Management of Kennewick
- Tariff No. 18, Waste Management of Spokane, Valley Garbage Service Co.
- Tariff No. 19, Waste Management – North Sound and Waste Management – Marysville
- Tariff No. 19, Waste Management of Skagit County
- Tariff No. 20, Brem-Air Disposal
- Tariff No. 24, Waste Management – South Sound and Waste Management of Seattle

b. If so, provide discuss [sic] the advantages and disadvantages of charging the fee.

WM response:

Advantages of charging late fees include but are not limited to:

- Late fees incentivize customers to pay their bills timely, avoiding large arrears.
- Over time, this reduces cross-subsidy by customers who do pay all their bills.
- Late fees charged to a customer cover, in part, added administrative costs WM incurs for dealing with overdue balances.

Disadvantages of charging late fees include but are not limited to:

- For customers struggling to make ends meet, adding late fees may worsen the problem instead of incentivizing more timely payment.
 - For customers who have the wherewithal to pay but are behind, the amount of the fees may actually be too small to incentivize behavioral change and to cover WM’s added administrative burdens, resulting in cross-subsidy by timely-paying customers.
- c. *If not, please discuss why your company chose not to include late fees in the tariff. Please also provide a narrative describing any impacts of foregoing late fees.*

WM response:

N/A.

12. *Please provide the following information regarding the late fees your company collected in 2018 and 2019, respectively:*

- a. *Please provide the total dollar amount collected in late fees for each year.*

WM response:

WM assumes this question is only asking for late fees collected from single-family residential customers in Commission-jurisdictional areas and responds subject to that assumption. Please note that WM does not track the dollar amount of invoiced late fees actually collected from customers. The total dollar amounts of late fees invoiced to single-family residential customers in 2018 and 2019 were:

Year	Late Fees Invoiced to Residential Customers
2018	\$53,156.36
2019	\$57,608.73

- b. *How many residential customer accounts paid late fees each year?*

WM response:

WM does not track the amounts of late fees actually paid. The numbers of accounts invoiced for late fees in 2018 and 2019 are as follows:

Year	Number of Residential Customers Assessed Late Fees
2018	37,763
2019	27,812

- c. *What percent of retail revenue did your company derive from residential late fees each year?*

WM response:

The amount of retail revenue derived from residential late fees in the table above is far less than 0.1% of WM's total revenue from Commission-jurisdictional operations. For example, in 2018, if WM successfully collected the entire amount of invoiced late fees, that would make up about 0.036% of WM's regulated revenue that year.

- d. *If late fees were no longer allowed to be recovered in base rates instead, how much would residential bill [sic] increase based on your current approved rate spread? Please provide both a percentage increase and an average residential customer bill increase amount.*

WM response:

WM has not analyzed the potential impacts to base rates in Commission-jurisdictional areas, including the amount collected and the potential increase of past-due balances. Based on the proportion of revenue derived from such fees in recent years, the likely bill impact would be very small. However, if the absence of late fees or other factors resulted in significant changes to customers' timely payment, the difference in base rates with or without late fees could be larger in the future than recent past data would indicate.

13. *If available, please identify the percentage of late fees that your company charged low-income customers each year in 2018 and 2019, respectively.*

WM response:

WM does not evaluate or track low-income status for customers in WUTC-jurisdictional areas.

Disconnection Notices

14. *Has your company identified opportunities to improve customer notice rules? Please describe those opportunities and the steps your company is taking to implement them.*

WM response:

WM assumes that Staff is asking about customer disconnection notices, not about all types of customer notices. Subject to that assumption, WM has always used a robust notification process to alert customers about pending service suspension due to nonpayment. Our approach is timely, with progressive touch points, to ensure customers have every opportunity to remedy the situation and avoid service disruption.

15. *Please provide a list of all languages in which your company provides translated disconnection notices.*

WM response:

Currently, WM provides written disconnection notices in English. The notices contain information in red to identify that the notice is important and different than other notices from WM, including a red banner on the top of the notice. Customers are able to request translation services through WM's customer experience representatives. For customers who wish to receive information in a language other than English, WM utilizes a service that provides live translators in over 100 languages.

16. *How does your company determine in which language(s) the customer should receive written communications (particularly in relation to the disconnection notice)?*

WM response:

See response to #15 above.

17. *Has your company identified any barriers in the process of providing notices to customers?*

WM response:

No.

a. *If so, please identify and describe these barriers.*

WM response:

N/A.

b. *Has your company taken steps to address any identified barriers?*

WM response:

N/A.

- c. *Have the steps taken either reduced the number of disconnections or otherwise yielded results in terms of improving the disconnection process? If so, please provide the results and any analysis your company has conducted of the results.*

WM response:

N/A.

18. *Are you aware of any policies, rules or guidance concerning equity in developing or providing customer notice in use by other companies or state commissions? If so, please identify the policies, rules or guidance, referencing the company or state commission that has adopted the policy, rule or guidance.*

WM response:

WM is not aware of other policies, rules or guidance that might be appropriate for the Commission.

19. *Are you aware of any best practices or examples from other jurisdictions or other utility sectors that the Commission should consider in this proceeding regarding late fees, disconnection fees, reconnection fees, deposits, credits and collection practices, and customer notices? If so, please identify these best practices or examples, referencing the company or jurisdiction that has adopted these policies.*

WM response:

WM is not aware of other policies, rules or guidance that might be appropriate for the Commission to consider.