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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In Re Application of  
WASTE MANAGEMENT OF  
WASHINGTON, INC.  
d/b/a WM Healthcare Solutions  
of Washington  
720 4th Ave. Ste 400  
Kirkland, WA 98033-8136

Docket No. TG-120033

DECLARATION OF NANETTE M.  
WALKER, CPA, IN OPPOSITION TO  
WASTE MANAGEMENT'S MOTION TO  
COMPEL DISCOVERY

I, Nanette M. Walker, CPA, declare as follows:

1. I am over the age of 18 and am competent to testify. I make this declaration based on my personal knowledge and am competent to testify to the matters addressed herein.

2. I am a certified public accountant with more than 33 years of public accounting experience. I have an independent accounting practice. My office is in Ridgefield, Washington.

3. Part of my accounting practice over the last 31 years has involved accounting work for solid waste collection companies regulated by the Washington Utilities and Transportation Commission (the "Commission"). I have prepared numerous annual reports to the Commission for solid waste collection companies and have assisted Class A solid waste

DECLARATION OF NANETTE M. WALKER, CPA, IN  
OPPOSITION TO WASTE MANAGEMENT'S MOTION TO  
COMPEL DISCOVERY - 1

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1 collection companies in preparing presentations to the Commission on rate matters, including  
2 general rate increases.

3 4. I am familiar with the requirements for general rate increase presentations by  
4 Class A and B solid waste collection companies under WAC 480-07-520, including the  
5 "revenue price-out" required by WAC 480-07-520(f). I have worked with Class A solid waste  
6 collection companies in preparing such revenue price-out presentations and understand what  
7 they require.

8 5. I have consulted with Stericycle of Washington, Inc. ("Stericycle") on the  
9 Commission's accounting requirements for more than 9 years and have assisted Stericycle in  
10 preparing its annual reports to the Commission during that period. I am generally familiar with  
11 the financial accounting and financial management systems used by Stericycle and its parent,  
12 Stericycle, Inc. Stericycle, as a Class C solid waste collection company, is not subject to the  
13 requirements of WAC 480-07-520. Nonetheless, I have consulted with Stericycle's financial  
14 accounting staff and have considered what would be required to prepare a revenue price-out in  
15 compliance with WAC 480-07-520(f). After consulting with Stericycle's financial accounting  
16 staff, I estimate that at least 80 hours of my time at \$195/hour and at least 100 hours of  
17 Stericycle staff accounting time at an average cost of approximately \$80/hour would be  
18 required for Stericycle to prepare the revenue price-out requested by Waste Management in  
19 accordance with the requirements of WAC 480-07-520(f).

20 6. I have read the Declaration of Mike Weinstein dated July 31, 2012, filed with  
21 Waste Management's Motion to Compel Discovery. Mr. Weinstein may be correct that it  
22 would take him "no more than one day to query Waste Management's accounting system to  
23 prepare a revenue price-out like the one Waste Management has requested from Stericycle."  
24 (Emphasis added.) Although Mr. Weinstein addresses the time required to "query" Waste  
25 Management's accounting system for the relevant data, he has not indicated whether his query  
26 would generate data sufficient for an accurate revenue price-out. In any event, the project

DECLARATION OF NANETTE M. WALKER, CPA, IN  
OPPOSITION TO WASTE MANAGEMENT'S MOTION TO  
COMPEL DISCOVERY - 2

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1 involved to generate a revenue price-out for Stericycle is not comparable to the task described  
2 by Mr. Weinstein for several reasons. First, Waste Management is a Class A solid waste  
3 collection company subject to WAC 480-07-520(f) and has a history of general rate increases,  
4 presumably prepared in accordance with that regulation. Thus, Waste Management's  
5 accounting system is programmed and otherwise specifically set up to generate the information  
6 required for that purpose. Stericycle is not subject to WAC 480-07-520(f), has never requested  
7 a general rate increase and its accounting system is not set up to generate the data required to  
8 prepare a revenue price-out. Accordingly, Stericycle would need first to evaluate its  
9 accounting system to determine what it would take to access to the data required to generate a  
10 revenue price-out and then re-program its accounting system software to generate the necessary  
11 data for this purpose. Further effort would be required to build the required data for Stericycle  
12 because the relevant data is collected and maintained on a consolidated basis by Stericycle, Inc.  
13 This would require making appropriate cost allocations between Stericycle, Inc. and Stericycle  
14 and then between Stericycle's regulated and unregulated (e.g., non-Washington) services.  
15 Given my other work commitments and the commitments of Stericycle's accounting staff, I  
16 believe the time required to generate a revenue price-out in the manner requested by Waste  
17 Management would take a minimum of two months at a cost of not less than \$25,000 -- and  
18 perhaps substantially more.

19 7. I am also familiar with what it would take to generate a balance sheet for  
20 Stericycle in accordance with the Commission's requirements and generally accepted  
21 accounting principles. Because such balance sheets have not been prepared in past years, the  
22 task would be quite formidable. Preparation of a balance sheet for the year ending 12/31/2011,  
23 would require reconstruction of Stericycle's book revenue and expense from the company's  
24 inception in 1993. This exercise would require retrieval of information that may not be readily  
25 available from the Stericycle financial accounting data base. If it could be done at all, it would  
26 require substantial time and effort by myself and Stericycle's accounting staff.

DECLARATION OF NANETTE M. WALKER, CPA, IN  
OPPOSITION TO WASTE MANAGEMENT'S MOTION TO  
COMPEL DISCOVERY - 3

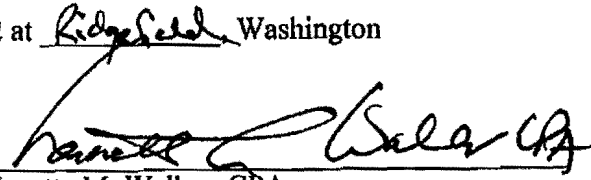
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I declare under penalty of perjury under the laws of the State of Washington and the United States that the foregoing is true and correct to the best of my knowledge and belief.

EXECUTED this 6<sup>th</sup> day of August, 2012 at Ridgefield Washington

  
Nanette M. Walker, CPA

DECLARATION OF NANETTE M. WALKER, CPA, IN  
OPPOSITION TO WASTE MANAGEMENT'S MOTION TO  
COMPEL DISCOVERY - 4

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1 **CERTIFICATE OF SERVICE**

2 I, Vickie L. Owen, certify under penalty of perjury under the laws of the State of  
3 Washington that, on August 6, 2012, I caused to be served on the person(s) listed below in the  
4 manner shown a copy of DECLARATION OF NANETTE M. WALKER, CPA, IN  
5 OPPOSITION TO WASTE MANAGEMENT'S MOTION TO COMPEL DISCOVERY:

6 Washington Utilities and  
7 Transportation Commission  
8 1300 S. Evergreen Park Dr. SW  
9 PO Box 47250  
10 Olympia, WA 98504-7250  
11 (360) 664-1160  
12 [records@utc.wa.gov](mailto:records@utc.wa.gov)

- 13  Via Legal Messenger
- 14  Via Facsimile
- 15  Via U.S. Mail, First Class,  
16 Postage Prepaid
- 17  Via Email

18 Administrative Law Judge  
19 Gregory Kopta  
20 [gkopta@utc.wa.gov](mailto:gkopta@utc.wa.gov)

- 21  Via Email

22 Jessica Goldman  
23 Polly L. McNeill  
24 Summit Law Group  
25 315 – 5<sup>th</sup> Avenue South  
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30 [deannas@summitlaw.com](mailto:deannas@summitlaw.com)

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34 Postage Prepaid
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42 *Attorney for Protestant WRRRA, Rubatino,  
43 Consolidated, Murrey's and Pullman*

- 44  Via Legal Messenger
- 45  Via Facsimile
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47 Postage Prepaid
- 48  Via Email

49 DECLARATION OF NANETTE M. WALKER, CPA, IN  
50 OPPOSITION TO WASTE MANAGEMENT'S MOTION TO  
51 COMPEL DISCOVERY - 5

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57 *206 464-3939*

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10 BDeMarco@utc.wa.gov

- Via Legal Messenger  
 Via Facsimile  
 Via U.S. Mail, First Class,  
Postage Prepaid  
 Via Email

11 Dated at Seattle, Washington this 6<sup>th</sup> day of August, 2012.

12 

13 Vickie L. Owen  
14 vowen@gsblaw.com