

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition filed by:	DOCKET TG-240453
WASTE MANAGEMENT OF WASHINGTON, INC., d/b/a WASTE MANAGEMENT OF SPOKANE, VALLEY GARBAGE SERVICE CO.,	ORDER 01
Requesting Authority to Retain 50 Percent of the Revenue Received from the Sale of Recyclable Materials Collected in Residential Recycling Service	AUTHORIZING REVENUE SHARING FOR RECYCLABLE COMMODITIES REVENUE AND ALLOWING RECYCLABLE COMMODITY CREDIT ADJUSTMENT

**BACKGROUND**

- 1 On July 3, 2024, Waste Management of Washington, Inc., d/b/a Waste Management Spokane, Valley Garbage Service Co., (Valley Garbage or Company) filed with the Washington Utilities and Transportation Commission (Commission) the following: (1) revised commodity credits resulting in decreased rates to residential and multifamily recycling customers; (2) the Company's 2024-2026 recycling revenue sharing plan with Spokane County; and (3) a request to retain up to 50 percent of the revenue received from the sale of recyclable materials during the 2024-2026 recycling plan period;(4) less than statutory notice request to allow customers to be noticed on the first bill after the effective date as allowed in WAC. The Company serves approximately 22,000 residential and 300 multifamily recycling customers in Spokane County.

**PROPOSED 2024-2025 COMMODITY CREDITS**

- 2 The Company originally filed tariff pages on July 3, 2024, proposing a residential commodity credit increase from a debit of \$0.20 to a credit of \$1.98 per month, resulting in an overall decrease in recycling rates for single-family residential customers of \$2.18 per month. For multi-family customers, the filed tariff reflects a commodity credit increase from \$0.39 to \$0.62 per month, resulting in decreased recycling rates of \$0.23 per month for the period August 1, 2024, to July 31, 2025. The proposed commodity credits reflect the effect of the Commission-approved deferred accounting mechanism.

3 At the time of the original filing on July 3, 2024, the Company had not yet received the signed Revenue Share plan from Spokane County. Staff requested the Company to extend the effective date of the Commodity credit to September 1, 2024, and to recalculate the rebate for recycling revenue to be returned to customers over an 11-month period instead of 12 months. The Company filed the recalculation and revised Tariff page on July 31, 2024, along with the signed Revenue Share Plan. Customers did not have a commodity adjustment on their August bill.

4 The revised commodity adjustment proposes a credit increase from a debit of \$0.20 to a credit of \$2.16 per month, resulting in an overall decrease in recycling rates for single-family residential customers of \$2.36 per month. For multi-family customers, the filed tariff reflects a commodity credit increase from \$0.39 to \$0.68 per month, resulting in decreased recycling rates of \$0.29 per month for the period September 1, 2024, to July 31, 2025.

#### **PROPOSED 2024-2026 RECYCLING PLAN AND REVENUE SHARING**

5 Under RCW 81.77.185, the Commission shall allow a solid waste collection company collecting recyclable materials to retain up to 50 percent of the revenue paid to the company for the material if the company submits a plan to the Commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed back to customers.

6 Pursuant to that statute, Spokane County (County) and Valley Garbage have initiated a revenue sharing plan (Plan) beginning August 1, 2024, and expiring July 31, 2026. According to the Plan, the Company will, subject to approval by the Commission, be allowed to retain 50 percent of the revenue received for the sale of recyclable commodities collected in its curbside recycling operations in Spokane County. The retained revenue will be used to increase recycling in Spokane County through initiatives and tasks outlined in the plan. For the 2024-2026 plan period, the Company projects it will earn \$1,664,382 in revenue from the sale of recyclable commodities from 27,180 regulated recycling customers, allowing the Company to retain \$832,200.

7 For the 2024-2026 plan period the Company reported the following: Task 1 - “Knowledge Sharing” (\$361,525); Task 2 - “Equitable Outreach” (\$140,000); Task 3 – “Community Events - Reducing Contamination and Waste” \$20,000; Task 4 - “Focused Education of Younger Minds” (\$290,000); Task 5 - “Multifamily Recycling and Reduction of Contamination” (\$65,000). The Plan also provides for a five percent

performance incentive for increasing per capita diversion rates by five percent, the total available performance incentive bonus for the two-year plan period is \$43,830.

8 Kyle Twohig, Spokane County Senior Director of Public Works, signed the Plan and certified that it is consistent with Spokane County's Comprehensive Solid Waste Management Plan. Spokane County recommends that the Commission allow the Company to retain up to 50 percent of the actual value of recyclable commodity revenues received each of the two years of the plan from August 1, 2024, to July 31, 2026.

9 In addition to the above, Valley garbage also requests the necessary LSN approval that would allow customers to be noticed on the first bill following the effective date as outlined in WAC 480-70-271(2)(a)(vi). Absent Commission approval of LSN, RCW 81.28.050 requires companies to provide notice to the public 45 days' notice in advance of any tariff changes.

10 Commission staff (Staff) recommends that the Commission grant the Company's request to retain up to 50 percent of the recyclable commodity revenue collected during each year of the Plan and allow the recycling commodity credits filed by Valley Garbage Services on July 3, 2024, as revised on July 31, 2024, to go into effect September 1, 2024.

#### DISCUSSION

11 We agree with Staff's recommendation and grant the Company's request to retain up to 50 percent of the recyclable commodity revenue collected during each year of the Plan and allow the recycling credits filed by the Company to go into effect by operation of law on September 1, 2024. We address each of the Company's requests in turn.

12 First, the Company has met the requirements of RCW 81.77.185. Valley Garbage submitted a plan to the Commission that was certified by the appropriate local government authority as consistent with the local government's solid waste plan, which demonstrates how the revenues will be used to increase recycling. Spokane County recommends that the Commission allow the Company to retain up to 50 percent of the actual value of recyclable commodity revenues received each of the two years of the plan from August 1, 2024, to July 31, 2026. As such, we grant the Company's request to retain up to 50 percent of the recyclable commodity revenue collected during each year of the Plan.

13 Additionally, we find that the Company's proposed commodity credits, which reflect the effect of the Commission-approved deferred accounting mechanism, are consistent with the public interest.

14 We also agree that the request for less than statutory notice should be granted. WAC 480-70-271(2)(1)(vi) specifically allows the tariff revisions at issue to take effect on less than statutory notice, while RCW 81.28.050 requires that the Commission approve by order such shortened notice on a case-by-case basis. The Commission, through its rules, has thus made the policy choice to allow such shortened notice in certain circumstances, and this request falls within those circumstances. Additionally, the requirement that a request for less than statutory notice be filed at least seven days prior to the open meeting serves to ensure that Staff has sufficient time to review such requests, and the Commission may grant exemptions or modifications of its rules when consistent with the public interest, the purposes underlying regulation, and applicable statutes.

#### FINDINGS AND CONCLUSIONS

15 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, regulations, practices, accounts, and affiliated interests of public service companies, including solid waste companies.

16 (2) Valley Garbage 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.

17 (3) This matter came before the Commission at its regularly scheduled meeting on August 29, 2024.

18 (4) Under RCW 81.77.185, the Commission shall allow a solid waste collection company collecting recyclable materials to retain up to 50 percent of the revenue paid to the company for the material if the company submits a plan to the Commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan, and that demonstrates how the revenues will be used to increase recycling. RCW 81.77.185 states that the remaining revenue shall be passed back to customers.

- 19 (5) Spokane County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Director of Spokane County's Solid Waste Division certified that Valley Garbage's recycling plan is consistent with Spokane County's Comprehensive Solid Waste Management Plan.
- 20 (6) Valley Garbage's request to retain up to 50 percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs from August 1, 2024, to July 31, 2026, is consistent with RCW 81.77.185, and the Commission finds that Valley Garbage's request should be granted.
- 21 (7) Valley Garbage is subject to RCW 18.28.050 which requires solid waste companies to provide the public 45 days' notice of any tariff changes unless the Commission orders otherwise.
- 22 (8) Valley Garbage is subject to WAC 480-70-900(5)(b), which requires solid waste companies requesting less than statutory notice to file such request a least seven business days prior to the open meeting.
- 23 (9) It is in the public interest to allow the revisions to Tariff No. 18 filed on July 3, 2024, as revised on August 19, 2024, to become effective on September 1, 2024.

## ORDER

### THE COMMISSION ORDERS:

- 24 (1) Provided Waste Management of Washington, Inc., d/b/a Waste Management of Spokane, Valley Garbage Service Co., complies with the Plan as set forth in this Order, the Company may retain up to 50 percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs from August 1, 2024, to July 31, 2026.
- 25 (2) Waste Management of Washington, Inc., d/b/a Waste Management of Spokane, Valley Garbage Service Co., shall make a compliance filing with the Commission no later than June 15, 2025, in which the Company shall identify the amount of revenue it retained, the amount of money it spent on the activities identified in the Plan, and the effect the activities had on increasing recycling.

- 26 (3) The commodity credits filed by Waste Management of Washington, Inc., d/b/a Waste Management of Spokane, Valley Garbage Service Co., on July 3, 2024, as revised on July 31, 2024, are allowed to go into effect by operation of law.
- 27 (4) Waste Management of Washington, Inc., d/b/a Waste Management of Spokane, Valley Garbage Service Co., request for less than statutory notice for the tariff revisions filed on August 19, 2024, in this Docket is GRANTED. The tariff revisions will become effective on September 1, 2024.
- 28 (5) The Commission retains jurisdiction over the subject matter and Waste Management of Washington, Inc., d/b/a Waste Management of Spokane, Valley Garbage Service Co., to effectuate the provisions of this Order.

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

DATED at Lacey, Washington, and effective August 29, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Jeff Killip  
Executive Director and Secretary