

- **Rabanco Recycling Companies (Certificate G-12)**
  - Services Provided & Description of Pricing Basis
    - Processing of recyclable materials
    - Processing of yard waste/organic materials

Rabanco Recycling Companies provides post-collection services from one location in South Seattle. The company allows for the drop-off of: co-mingled recyclable materials, source separated recyclable materials and yard waste. The company processes the materials and prepares material for sale in commodity markets.

Residential processing rates were determined utilizing the Lurito-Gallagher curve with costs allocated using the following measures: processing resources required, tonnage, headcount and previously allocated costs. Charges for these services are booked directly to the respective companies and are reflected as intercompany revenue for Rabanco Recycling companies and Cost of Goods Sold for affiliated collection companies.

Processing rates for non-regulated commercial recycling were established by evaluating the cost structure required to process anticipated volume levels and achieve acceptable returns. Charges for these services are booked directly to the respective companies and are reflected as intercompany revenue for Rabanco Recycling companies and Cost of Goods Sold for affiliated collection companies.

Yard Waste rates were established by evaluating the rate required to achieve a break-even level of profitability at anticipated volume levels. The break-even rate is then increased to accommodate a return on assets employed. Charges for these services are booked directly to the respective companies and are reflected as intercompany revenue for Rabanco Recycling companies and Cost of Goods Sold for affiliated collection companies.

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- **Regional Disposal Company**
    - Services Provided & Description of Pricing Basis
      - Processing of Construction & Demolition recyclable materials
      - Transportation and disposal of residual material from recycle processing

Regional Disposal Company is a Washington joint venture with partners Rabanco Ltd. and WJR Environmental, which provides post-collection services via transfer stations and intermodal facilities throughout the state. In addition, Regional Disposal Company owns Roosevelt Landfill in Klickitat County which offers free collection of recyclables for residents of Klickitat County as outlined in the landfill host agreement.

Processing rates for non-regulated Construction & Demolition recycling are established by evaluating the rate required to achieve a break-even level of profitability at anticipated volume levels. The break-even rate is then increased to accommodate a return on assets employed. Charges for these services are booked directly to the respective companies and are reflected as intercompany revenue for Regional Disposal Company and Cost of Goods Sold for affiliated collection companies.

Transportation and disposal rates are based on standard transportation rates from a 3<sup>rd</sup> party vendor and disposal rates charged to similar volume 3<sup>rd</sup> party customers. Charges for these services are booked directly to the respective companies and are reflected as intercompany



revenue for Regional Disposal Company and disposal expense for affiliated collection companies.

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- **Kent-Meridian Disposal Company (G-60)**
  - Services Provided & Description of Pricing Basis
    - Collection and drop-off of recyclable materials

Kent-Meridian Disposal provides collection services in south King County. The company collects recyclable commodities from residential and commercial customers and delivers them to Rabanco Recycling Companies for processing and sale to commodity markets.

Rates paid to collection companies for the delivery of commodities are based on the market price of the delivered commodity. Charges for these services are booked directly to the respective companies and are reflected as intercompany revenue for Kent-Meridian Disposal and Cost of Goods Sold for Rabanco Recycling companies.