

February 3, 2013

Dear Valued Customer,

Waste Management is pleased to be your recycling and solid waste services provider. We are writing to notify you of an upcoming rate adjustment.

Like all of us, the garbage and recycling industry is faced with many challenges today. Since the last rate adjustment, in January of 2009; nearly four years ago; the costs of fuel, equipment, labor, operating expenses and disposal have increased. We have made substantial investments in facility upgrades to fuel our new compressed natural gas (CNG) trucks. We have purchased many of these new CNG fueled trucks that will be more efficient, will reduce emissions and will help protect the environment. We have converted your recycling collection containers from a small 18-gallon bin with a new 96-gallon recycling cart. With this new cart you will be able to recycle all your mixed waste paper and cardboard that previously was not allowed. In addition, we have made a substantial investment in our newly constructed SmART Recycling Center ("SmART") that allows us to process these mixed recyclables to attain their highest potential value.

The proposed recycling rates reflect the above mentioned investments and associated costs. To mitigate this increase we are also proposing that the commodity rebate that you current receive be increased as well to more accurately reflect the true value of your recyclables.

Accordingly, we have applied for an increase in your garbage, recycling and yard waste rates and an increase in your commodity rebate, subject to the review and approval of the Washington Utilities and Transportation Commission (UTC). The UTC, upon completing its investigation, has the authority to set final rates that may be either lower or higher from the proposed rates shown on the back of this letter. If approved, the new rates would become effective March 5, 2013.

To comment on this filing, be added to the UTC's mailing list, or ask questions about the ratemaking process; please use the comment information below. You may also comment in person at the UTC's open meeting in Olympia at 9:30 a.m. on February 28, 2013, or by using the "Public Comment" feature at the UTC's web site at <http://www.utc.wa.gov/comments>. The UTC is scheduled to make a decision at its open meeting on February 28, 2013. If you are unable to attend an open meeting in person, the UTC has a bridge line that enables you to participate or listen by telephone. Call (360) 664-1234 for instructions the day before the open meeting.

Washington Utilities and Transportation Commission
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E-mail: comments@utc.wa.gov
Telephone: 1-888-333-9882
Fax: 1-360-586-1150

Waste Management is committed to finding new and innovative ways to provide high quality solid waste services at cost effective rates. With this filing we believe that we have given you the opportunity to reduce your service level which can mitigate this increase if you so desire. We appreciate your business and look forward to continuing to provide you efficient collection services. As always, we welcome your feedback on our performance and your expectations.

For questions about your service, or if you have questions or need additional information about the proposal, please call us at 1-800-592-9995. Thank you for your continued business.

Marco Gonzalez
District Manager, Waste Management of Spokane

Proposed Rates Effective March 5, 2013
Monthly Garbage and Recycling Rates (billed quarterly) (a)

<u>Residential Service</u>	<u>Pickup Frequency</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
1 Can	monthly	\$ 7.05	\$ 7.20
Mini-Can (20 gallons)	weekly	\$ 10.79	\$ 11.10
1 Can	weekly	\$ 13.94	\$ 14.30
2 Cans	weekly	\$ 21.58	\$ 22.20
3 Cans	weekly	\$ 29.22	\$ 30.10
4 Cans	weekly	\$ 36.86	\$ 38.00
5 Cans	weekly	\$ 44.50	\$ 45.90
1 20 gal. Cart	weekly	\$ 11.79	\$ 12.10
1 35 gal. Cart	weekly	\$ 15.05	\$ 15.50
1 64 gal. Cart	weekly	\$ 22.68	\$ 23.40
1 96 gal. Cart	weekly	\$ 30.32	\$ 31.30
Occasional Extras(each)	weekly	(b) \$ 3.83	\$ 3.90
Curbside Recycling <i>(This mandatory charge applies to only those customers residing in the recycling service area as mentioned in Note C below)</i>	Every other week	(c) \$ 4.65	\$ 8.05
<u>Optional Yardwaste Service</u>			
1 96 gal. Cart	weekly - Mar.-Nov. monthly - Dec.-Feb.	(c) \$ 7.90	\$ 11.40

Notes:

- (a)** Not all collection services provided by the company are listed above. If your particular service is not shown, your proposed increase will be approximately 3% greater than your current rate. Please call the company's phone number listed on the front of this letter for further details.
- (b)** Occasional extra rates shown above are per item, hence the monthly charge will be the above rate times the number of services per month.
- (c)** This service is only applicable to those customers who live within the collection boundaries pursuant to the Spokane County "Recycling Service Level Ordinance" as adopted and codified as Chapter 8.58 of the Spokane County Code. Please call the phone number listed on the front of this letter for further details on the availability of this service in your area.