Service Date: **September 29, 2025**

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of WASTE MANAGEMENT OF WASHINGTON INC., D/B/A WASTE MANAGEMENT OF KENNEWICK Petitioner, Seeking Exemption from the Provision of WAC 480-07-520(4) Relating to Company Work Papers	DOCKET TG-250532 ORDER 01 GRANTING PETITION FOR EXEMPTION; ALLOWING TARIFF REVISIONS TO BECOME EFFECTIVE SUBJECT TO CONDITION

BACKGROUND

1 On June 26, 2025, Waste Management of Washington, Inc. d/b/a Waste Management of Kennewick (WM of Kennewick or Company) filed Tariff No. 17, that replaces Tariff No. 16, with the Washington Utilities and Transportation Commission (Commission). Tariff 17, as originally filed, would generate approximately $1,179,000 (39 percent) additional annual revenue for solid waste collection and disposal service. Additionally, the Company filed a request for an exemption from the work paper filing requirements in Washington Administrative Code (WAC) 480-07-520(4), requesting Commission approval to submit work papers that vary from a strict interpretation of the filing requirements under this provision and to comport with the exemptions granted in the last twelve general rate increase filings of Waste Management companies.[1] The Company is

[1] *In the Matter of Waste Management of Washington, Inc. d/b/a Waste Management of Kennewick*, Docket TG-250532, Petition for Rule Exemption (June 26, 2025) citing to: *Washington Utilities and Transportation Commission (WUTC) v. Waste Management of Washington d/b/a Waste Management Sno-King* (Waste Management), Docket Nos. TG-091933 & TG-091945 (*Consolidated*), Orders 03, Order Denying Petition for Rule Interpretation; Granting Exemption to Rule (March 23, 2010) – *WUTC v. Waste Management of Washington, Inc., G-237*, Docket TG-101080, Order 01, Granting Exemption From Rule (July 15, 2010) and Docket TG-101706, Order 01, Granting Exemption from Rule (November 24, 2010) – *WUTC v. Waste Management of Washington d/b/a/ Waste Management of Skagit County, G-237,* Docket TG-110792, Order Granting Exemption from Rule (June 30, 2011), and Docket TG-120523, Order 01, Order Granting Exemption From Rule (May 10, 2012) – *WUTC v. Waste Management of Washington, Inc. d/b/a Bremerton Air Disposal*, Dockets TG-121484 and TG-121822, Order 03 and 04 (January 31, 2013) – *WUTC v. Waste Management of Washington, Inc. d/b/a Waste Management of Spokane*, Docket TG-130082, Order 01, Granting Exemption From Rule (February 14, 2013) – *WUTC v. Waste Management of Washington, Inc. d/b/a Waste Management – Northwest*, Docket TG-130938, Order 01, Grating Partial Exemption

also requesting an exemption under WAC 480-07-110 to the extent the general rate filing rule stated in WAC 480-07-520(4) would require it to submit into the public record any proprietary and confidential business records unrelated to the substantive audit of the rate filing itself, consistent with the public interest, and the purposes underlying the tariff filing regulation.[2]

2 WM of Kennewick provides regulated solid waste collection and disposal service to approximately 6,833 residential and commercial customers in Benton County and does not require curbside recycling pickup but provides bins at multiple locations throughout the County. The Company's last general rate increase became effective on December 1, 2010, nearly 15 years ago.

3 The purpose of the Company's proposed tariff is to generate additional revenue to recover increased costs for labor, wages, benefits, disposal, maintenance, and to replace aging assets. The Company notified its customers by mail of its proposed increase on July 15, 2025, and Commission staff (Staff) received nine comments, all opposing the increase based on affordability concerns relating to marked increases with cost of living the need for a more reasonable increase.

4 Staff reviewed WM of Kennewick's proposed tariff revisions and found the proposed rates to be excessive. During its review, Staff adjusted various accounts by removing non-essential expenses and depreciation expenses for assets that reached the end of their useful life, updated fuel costs to the most recent twelve months, and amortized an insurance claim over a five-year period. Staff then proposed a modified rate design and negotiated revised rates with the Company, who agreed to a lower annual revenue amount of $1,133,091 (37 percent). Staff also reviewed the Company's Petition and recommend granting the requests for exemption given that it received all the records it requested from the Company and that are required by WAC 480-07-520(4).

5 On September 18, 2025, WM of Kennewick filed revised replacement pages with lower rates to reflect the reduced revenue with a revised proposed effective date of October 1, 2025.

6 Due to the 15-year gap since the Company's last general rate case and concerns with the 37 percent increase inducing rate shock, Staff and the Company discussed phasing in the

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From Rule (June 27, 2013).

[2] *Id* citing to Chapter 81.77 of the Revised Code of Washington.

rates and the impact carrying costs would have on customers but determined that the phased in rates may be too costly for customers once fully implemented due to the significant lapse in time between rate case filings.[3]

7 Staff therefore recommend that the Commission take no action and allow the tariff and revised replacement pages as filed on September 18, 2025, to become effective October 1, 2025, by operation of law.

8 This matter came before the Commission at its regularly scheduled September 25, 2025, Open Meeting. Representatives of WM of Kennewick, Staff, Public Counsel, and the Kennewick School District all provided oral comments at the Open Meeting.

9 During the Open Meeting the Company stated it was working towards streamlining and making its rate filings more efficient since it manages eight different tariffs across Washington state. However, after receiving several questions from the Commissioners related to the lapse in time between rate filings, the Company acknowledged the WM of Kennewick tariff filing "fell through the cracks" due to the Company representing one of Waste Management's smallest territories from a revenue and customer perspective. In response, Public Counsel argued that these were not unexpected expenses for a company of Waste Management's size, highlighted that the requested increases constitute the definition of rate shock, and requested that the Commission phase in any rate increase and deny carrying costs to mitigate the impact on customers due to the imprudence in unduly delaying the filing. The representative from Kennewick School District echoed similar concerns and further commented that since similarly situated state entities only received a budget increase of 2.8 percent for the current budget cycle, it did not have the opportunity to properly plan or budget for a 37 percent rate increase and requested that any approved rate increase be phased in over the next few years.

10 After further discussion, the Commission determined that a phased-in-rate increase would be most appropriate and briefly continued the matter to allow Staff and the Company to consult and determine if they could reach an agreement on a phased in rate plan and provide the Commission with additional information on carrying costs.

11 Upon resuming the matter, Staff and the Company informed the Commission that they reached an agreement and were proposing that carrying costs be computed at the Company's after-tax cost of debt of 3.26 percent and that the rate increases be phased in at three separate nine-month intervals, with Phase 1 effective October 1, 2025, Phase 2

[3] *See* fn1 of Staff's September 25, 2025, Open Meeting Memorandum.

effective July 1, 2026, and Phase 3 effective April 1, 2027. All residential rates for Phase 1 will increase by 25 percent, for Phase 2 will increase by 33.5 percent, then for Phase 3 will decrease by 11 percent at the agreed upon rates at that time excluding deferrals and carrying costs. Similarly, all commercial rates for Phase 1 will increase by 19 percent for Phase 1, for Phase 2 will increase by 33.55 percent, then for Phase 3 will decrease by 10 percent at the agreed upon rates at that time excluding deferrals and carrying costs as summarized in the table below:

	Phase 1 Effective 10/01/25	**Phase 2 Effective 07/01/2026**	**Phase 3 Effective 04/01/27**
Residential Rates	25% increase	33.5% increase	Decrease of 11% to the agreed upon rate excluding deferrals and carrying costs
Commercial Rates	19% increase	28.5% increase	Decrease of 10% to the agreed upon rate excluding deferrals and carrying costs

12 Additionally, WM of Kennewick agreed to file revised tariff pages in accordance with the above proposed rate plan no later than 5:00 p.m. on September 26, 2025. The Company filed replacement pages consistent with the Commission's direction on September 26, 2025.

DISCUSSION

13 Under WAC 480-07-110, the Commission may grant an exemption from, or modify the application of, its rules if doing so is consistent with the public interest, the purposes underlying regulation, and applicable statutes.[4]

14 Based on Staff's recommendation and our review of the record, we are persuaded that WM of Kennewick has provided sufficient documentation for Staff to conduct a thorough review of the filing and therefore grant the Company's Petition for Exemption. The

[4] WAC 480-07.110.

purpose of the work paper filing requirements set out in WAC 480-07-520(4) is to provide the Commission with information to determine whether a proposed rate increase is fair, just, reasonable, and sufficient. Here, the Company has provided sufficient information to enable the Commission to make that determination and providing additional information the rule requires would be unnecessary and unduly burdensome. Accordingly, granting an exemption from this requirement for the purposes of this filing and under these circumstances is consistent with the public interest and the purposes underlying the rule, subject to the condition that WM of Kennewick files the revised tariff pages in accordance with the revised proposed rate plan set forth above in paragraph 12 no later than 5:00 pm. on September 26, 2025. We note that the Company has complied with this condition.

15 Further, after reviewing Staff's initial recommendations, the discussion that took place at the Commission's September 25, 2025, Open Meeting, and assessing Staff and the Company's revised proposed agreement we are persuaded that these modifications will result in fair, just, reasonable, and sufficient rates. We therefore allow the tariff pages as filed by WM of Kennewick, on June 26, 2025, revised on September 18, 2025, and as modified at the September 25, 2025, Open Meeting to become effective October 1, 2025, on the condition that the rates are phased in over three periods, beginning October 1, 2025, increasing in part on July 1, 2026, and decreasing April 1, 2027, reflecting the discontinuance of the carrying costs at the WM of Kennewick's after tax actual cost of debt of 3.26 percent.

FINDINGS AND CONCLUSIONS

16 (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.

17 (2) WM of Kennewick is a solid waste company and a public service company subject to Commission jurisdiction.

18 (3) This matter came before the Commission at its regularly scheduled meeting on September 25, 2025.

19 (4) WM of Kennewick is subject to the filing requirements of WAC 480-07-520 for general rate increase proposals and filed a Petition seeking exemption from a strict interpretation of those filing requirements.

20 (5) Under WAC 480-07-11, the Commission may grant an exemption from the provisions of any rule in WAC 480-07 if doing so is consistent with the public interest and the purposes of the underlying regulation and applicable statutes.

21 (6) After reviewing the Petition filed in Docket TG-250532 by WM of Kennewick on June 26, 2025, and giving due consideration, the Commission finds that the exemption is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes and should be granted.

22 (7) After reviewing the proposed tariff filed by WM of Kennewick, on June 26, 2025, revised on September 18, 2025, and as modified at the September 25, 2025, Open Meeting, the Commission finds it is consistent with the public interest. We therefore allow the tariff revisions to become effective October 1, 2025, on the condition that the rates are phased in over three periods, beginning October 1, 2025, increasing in part on July 1, 2026, and decreasing April 1, 2027, reflecting the discontinuance of the carrying costs at the WM of Kennewick's after-tax actual cost of debt of 3.26 percent. We further require WM of Kennewick to file the revised tariff pages in accordance with the revised proposed rate plan set forth above in paragraph 12 above no later than 5:00 p.m. on September 26, 2025, and note that WM of Kennewick has complied with this condition.

ORDER

THE COMMISSION ORDERS:

23 (1) The Commission grants Waste Management of Washington, Inc. d/b/a/ Waste Management of Kennewick's Petition for Exemption from WAC 480-70-520(4).

24 (2) The tariff as filed by Waste Management of Washington, Inc. d/b/a/ Waste Management of Kennewick, on June 26, 2025, revised on September 18, 2025, and as modified at the September 25, 2025, Open Meeting, shall become effective October 1, 2025, on the condition that the rates are phased in over three periods, beginning October 1, 2025, increasing in part on July 1, 2026, and decreasing April 1, 2027, reflecting the discontinuance of the carrying costs at the WM of Kennewick's after-tax actual cost of debt of 3.26 percent.

25 (3) Waste Management of Washington, Inc. d/b/a/ Waste Management of Kennewick

filed revised tariff pages with the revised proposed rate plan set forth in paragraph 12 on September 26, 2025.

26 (4) The Commission retains jurisdiction over the subject matter of Waste Management of Washington, Inc. d/b/a/ Waste Management of Kennewick to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective September 29, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

BRIAN J. RYBARIK, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner