

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET TG-111813
TRANSPORTATION COMMISSION,	)	<i>(consolidated)</i>
)	
Complainant	)	ORDER 05
)	
v.)	
	)	ORDER GRANTING PETITION
WASTE MANAGEMENT OF	)	FOR EXTENSION OF REVENUE
WASHINGTON, INC., d/b/a WASTE	)	SHARING PLANS
MANAGEMENT – NORTHWEST,)	
)	
Respondent.)	
.....)	
WASHINGTON UTILITIES AND	)	DOCKET TG-111814
TRANSPORTATION COMMISSION,	)	<i>(consolidated)</i>
)	
Complainant	)	ORDER 06
)	
v.)	
	)	ORDER GRANTING PETITION
WASTE MANAGEMENT OF	)	FOR EXTENSION OF REVENUE
WASHINGTON, INC, d/b/a WASTE	)	SHARING PLANS
MANAGEMENT – SNO-KING,)	
)	
Respondent.)	
.....)	
WASHINGTON UTILITIES AND	)	DOCKET TG-111815
TRANSPORTATION COMMISSION,	)	<i>(consolidated)</i>
)	
Complainant,	)	ORDER 06
)	
v.)	
	)	ORDER GRANTING PETITION
WASTE MANAGEMENT OF	)	FOR EXTENSION OF REVENUE
WASHINGTON, INC., d/b/a WASTE	)	SHARING PLANS
MANAGEMENT – SOUTH SOUND,)	
WASTE MANAGEMENT OF)	
SEATTLE,)	
)	
Respondent.)	
.....)	

BACKGROUND

- 1 On November 17, 2011, Waste Management of Washington, Inc., d/b/a Waste management – Northwest, Waste Management of Washington, Inc., d/b/a Waste Management – Sno-King, and Washington Management of Washington, Inc., d/b/a Waste Management South Sound, Waste Management of Seattle (Collectively Waste Management or Company) filed revisions in three dockets to applicable tariffs to increase the amount Waste Management pays to single family and multi-family customers for the value of the recyclable materials the Company collects in its residential recycling collection service. On November 21, 2011, Waste Management filed two recyclable commodity revenue sharing plans for 2011-12 for its service territories in King and Snohomish Counties.
- 2 On November 30, 2011, and December 29, 2011, the Washington Utilities and Transportation Commission (Commission) issued Orders 01 and 02, allowing the requested rates to go into effect, and authorizing Waste Management to retain up to thirty percent of the revenue from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs on an interim basis, subject to refund once the proposed 2011-2012 Plan is approved by the Commission. The Commission also suspended the recyclable commodity revenue adjustments but allowed them to become effective on a temporary basis, subject to refund or credit if the Commission determines that different rates will be fair, just, reasonable and sufficient, and set the matter for hearing. The Commission issued Order 02/03 on January 23, 2012, consolidating the dockets into a single proceeding.
- 3 On February 8, 2012, the Commission issued Order 04/05, Prehearing Conference Order, establishing a schedule for cross-motions for summary determination of the disputed issues in this proceeding. Because the issues in this proceeding overlap, at least in part, with the issues addressed in the Commission’s generic investigation of recycling revenue sharing plans in Docket TG-112162, the procedural schedule included briefing deadlines in this proceeding after the date by which the Commission anticipated issuing its interpretive and policy statement in Docket TG-112162 (IPS).
- 4 The Commission issued its IPS on May 30, 2012. On June 6, 2012, the parties requested an extension of the procedural schedule to permit additional time to analyze

the IPS and to engage in settlement discussions. The Commission issued a notice on June 7, 2012, granting that request and establishing revised briefing deadlines.

EXTENSION PETITION

- 5 On July 2, 2012, Waste Management filed a Petition for Leave to Extend Revenue Sharing Programs and Recycling Commodity Price Adjustments (Extension Petition). Waste Management requests that performance under current Revenue Sharing Agreement (“RSA”) recycling programs with King County and Snohomish County (collectively Counties) be allowed to continue for an additional four months beyond the current August 31, 2012, expiration date. Waste Management also requests approval to continue charging the recycling commodity price adjustment rate that is in its current tariffs for the same period of time, by extending the expiration date of those tariffs to December 31, 2012.
- 6 Waste Management contends that the requested extension is necessary to enable the Commission to rule on the Company’s original filings in sufficient time to permit Waste Management to incorporate that ruling and the guidance in the IPS into new recycling plans and to permit the Company more accurately to calculate new tariff rates for recycling commodity price adjustments. The extension largely continues the existing terms of the current RSA’s but reduces the revenues the Company is permitted to retain under the plans to reflect what it believes would have been allowed if the IPS had been in effect during the plan period, allocating the difference to plan activities.
- 7 The Company states that it and the Counties are already working on designing new revenue-sharing programs for the ensuing time period, which if the Commission grants the extension of the existing plans and commodity adjustments, would be in effect from January 1, 2013, through December 31, 2013. Waste Management represents that it has consulted with Staff and the Counties concerning the proposed extension, and attached to the Extension Petition are the Company’s extension agreements with the Counties, a budget showing how the revenues retained for the additional three-month period would be applied, and certification letters from the Counties in which they express support for perpetuating the current recycling commodity adjustment rate in each of their respective jurisdictions.

8 On July 12, 2012, Staff filed a letter in response to the Extension Petition stating that Staff does not object to the Company's request.

DISCUSSION AND DECISION

9 The Commission grants the Extension Petition. The Commission agrees that Waste Management, the Counties, and Staff should have the opportunity to incorporate the guidance of the IPS and resolution of the disputed issues in this proceeding into the 2013 recycling plans and that an extension of the existing plans is necessary to provide that opportunity.

10 The Commission also will make explicit the implicit understanding that the extension of the current plans is subject to the same conditions that the Commission adopted in Orders 01 and 02, specifically that the revenue sharing established in those plans be subject to refund should the Commission determine that Waste Management is not entitled to the entirety of the revenues the Company is permitted to retain under the terms of the RSAs. Waste Management should also file revised tariff pages reflecting the extended expiration date for the commodity price adjustment rates, and those tariff pages should be subject to the tariff suspension in Orders 01 and 02.

ORDER

THE COMMISSION ORDERS that

- 11 (1) Waste Management's Petition for Leave to Extend Revenue Sharing Programs and Recycling Commodity Price Adjustments is granted.
- 12 (2) The expiration of the recycling commodity price adjustment rates currently set forth in each of the three tariffs at issue in this proceeding is extended to December 31, 2012. Waste Management shall file tariff pages to reflect the extended expiration date, and those tariffs will continue to be suspended but allowed to be effective on a temporary basis, subject to refund and the other conditions the Commission adopted in Orders 01 and 02.
- 13 (3) The current 2011-2012 Revenue Sharing Agreement plans between Waste Management and King County will continue in effect after August 31, 2012,

under the Waste Management Recycling and Commodity Revenue Sharing Plan for King County: December 1, 2011-August 31, 2012, Extension No. 1, attached to the Company's Extension Petition, subject to refund and the other terms and conditions the Commission adopted in Orders 01 and 02.

- 14 (4) The current 2011-2012 Revenue Sharing Agreement plans between Waste Management and Snohomish County will continue in effect after August 31, 2012, under the Waste Management Recycling and Commodity Revenue Sharing Plan for Snohomish County: December 1, 2011-August 31, 2012, Extension No. 1, attached to the Company's Extension Petition, subject to refund and the other terms and conditions the Commission adopted in Orders 01 and 02.

Dated at Olympia, Washington, and effective July 26, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

GREGORY J. KOPTA
Administrative Law Judge