

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

WASTE CONTROL, INC.,

Respondent.

DOCKET TG-140560

DECLARATION OF JACQUELINE G.
DAVIS IN SUPPORT OF MOTION
TO ALLOW TEMPORARY RATES
SUBJECT TO REFUND AT THE
PROPOSED SETTLEMENT LEVEL
FILED IN OCTOBER, 2014

1 I, Jacqueline G. Davis hereby declare as follows:

2 I am the lead outside accountant for Waste Control Inc., in the above-captioned
matter and in support of Waste Control's Motion to Allow Temporary Rates Subject to
Refund at the Proposed Settlement Level Filed in October, 2014, allege as follows:

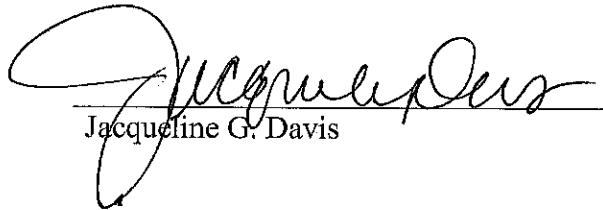
3 As of the quarter ending September 30, 2014, Waste Control Inc. was out of
compliance with loan covenant obligations for it and its affiliates' loans with Union Bank.
Based on the most current informal financial data available but not yet reviewed by us, we
believe that loan covenant violation has continued past the fourth quarter 2014 and continues
today. The cause of the loan covenant violation is the continuing non-realization of the
additional revenue requirement for the regulated solid waste company of Waste Control,
Inc., and particularly, the ongoing outlay of material legal and accounting costs to defend the
Company's general rate filing in these proceedings.

4 In response to the loan covenant violations, the owners of Waste Control, Inc. have
had to contribute and infuse capital into the company to stem current operating losses of the
company.

5 As noted in the accompanying Motion, the Company was granted interim relief
subject to refund on November 27, 2013 for known and measurable disposal fee increases

implemented by Cowlitz County as well as routine interim fuel surcharge approvals, but its cash position has continued to deteriorate by virtue of the insufficient revenue yielded by regulated operations, which revenue attrition can never be recouped for a solid waste collection company under the doctrine of retroactive ratemaking. Customers were duly noticed in April, 2014 on the basis of the revenue requirement then posited and the current proposal for interim rates is well below that additional increase amount.

Signed at Longview, Washington this rd23 day of February, 2015.



Jacqueline G. Davis