



November 16, 2012

Washington Utilities and Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA. 98504-7250

Subject: Waste Management of Washington, Inc. d/b/a Brem-Air Disposal (G-237); Tariff No. 20

Enclosed herein, you will find revised tariff pages 2, 22, 23 and 25 to our Tariff No. 20 for the above-referenced operating division of Waste Management of Washington d/b/a Brem-Air Disposal ("Brem-Air"). These revised tariff pages reflect increases to our residential recycling and yard waste collection rates and an increase to the corresponding commodity credit related to the value of the recyclables collected and sold. This new tariff is being filed with a proposed effective date of January 1, 2013.

Brem-Air received its last general rate increase on November 1, 2007, nearly five years ago. We are requesting adjustments to our rates due to increased maintenance, labor, fuel and other operating and administrative costs since our last general rate increase. Even though this is a general rate filing, we are not requesting any increases to our solid waste collection rates because our analysis does not justify a change in for those services. This tariff filing seeks adjustments only to the tariff rates applicable to recycling and yard waste from residential customers in Kitsap County.

In addition to increased expenses, these revised recycling rates reflect a different handling of the costs of transporting and off-loading the recyclable materials to the processing facility. In the past, the third-party processor used for recyclable materials in Kitsap County incurred those costs, and paid the net processing revenues to Brem-Air. Thus, transportation and off-loading costs were previously not reflected in Brem-Air's service rates to our customers, but were embedded in the amounts paid for recyclable materials. We are now, however, delivering recyclable materials to our newly acquired processing facility, JMK Fibers, which is also an operating division of Waste Management of Washington. This new tariff, if approved by the Commission, moves those expenses from the processor to the collection company, in accordance with recommendations of Commission staff. Thus, our proposed rates would increase Company service revenue by approximately \$1,600,000 (10.8%) and residential recycling rates by 75% and residential yard waste rates by 3.4%, respectively. On the other hand, we are also requesting that the customers' recycling commodity credits be increased from \$1.01 per month to \$2.72 per month (170% increase) to reflect the value of recyclable without netting out the transportation and processing costs that third party processors previously deducted from the value of the materials. Accordingly, when taking this increased commodity credit into account the net increase to the customers recycling rates will be approximately 35%.

Enclosed for your review are one paper and two electronic copies (excel and pdf. format) of our accounting workpapers. Please note that our filing includes certain information that is confidential, and protected from production as a public record under RCW 42.56.270(1). Sample customer notices are also enclosed. Customer notices will be mailed on or before December 1, 2012. In addition, a copy of this transmittal letter was mailed to the Kitsap County and the City of Port Orchard on November 16, 2012.

Also enclosed is a "Petition for General Rate Filing and Rule Exemption", seeking the Commission's approval to file Work Papers that vary from a strict interpretation of the general rate filing regulations. This request seeks an exemption for Work Papers similar to that which has been approved by the Commission under exemptions granted to Waste Management of Washington, Inc. in its five most recent general rate increase filings. In addition,, the Petition seeks the Commission's authorization to make this general rate filing, because it may alter the recycling commodity credit tariff rate that is currently suspended under Docket No. TG- 121484. For reasons explained in the Petition, today's general rate filing is intended to address issues that arose in that prior filing in a more comprehensive and efficient manner.

If you have any questions or need additional information, please contact me at:

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Telephone / Fax # / e-mail: (425) 814-7840 / (425) 814-7866 / mweinstein@wm.com

Respectfully,

A handwritten signature in blue ink, appearing to read 'Michael A. Weinstein', with a long horizontal line extending to the right.

Michael A. Weinstein
Senior Pricing Manager, Pacific Northwest Market Area

cc: Alan York
Clerk of the Board, Kitsap County Chair
City of Port Orchard