



FROM: Tiffany Van Meter
DATE: June 4, 2020
SUBJECT: TG-190431, Waste Connections of Washington, Inc.

Discussion:

Waste Connections of Washington, Inc., dba Waste Connections (Waste Connections or company) is a Class “A” solid waste company as defined in rule; WAC 480-70-041 with over \$19.9 million in regulated intrastate gross revenues. As required in WAC 480-70-079, the company filed on May 31, 2019 with the Utilities and Transportation Commission (UTC or commission) a report on its affiliated interest and subsidiary transactions.

Scope of Staff Investigation:

Staff will examine the filing in UTC Docket TG-190431 and answer the following questions:

1. Does the information provided by the company meet the requirements of WAC 480-70-079?
2. As a result of examining the transactions contained in this filing, what areas and elements of affiliate contracts and arrangements will need to be examined in a future rate case to validate that they are reasonable and consistent with the public interest?

Requirements set forth in WAC 480-70-079:

WAC 480-70-079 requires regulated solid waste companies to provide the commission with the following information relating to transactions between a regulated solid waste company and its affiliate(s):

| <i>Requirement</i> | <i>Staff opinion</i> |
|---|---|
| Corporate organization chart of the company and its affiliated interests and subsidiaries (WAC 480-70-079 (2)). | Waste Connections has met this requirement. |

For 2018, Waste Connections is reporting the following transactions:

1. *Waste Connections, Inc.* – Provides management, safety, legal, accounting, procurement, human resources, engineering and environmental services to Waste Connections (\$1,485,965 reported for 2018).
2. *Columbia Resource Co., LP* – Waste Connections provides recycle hauls for Columbia Resources Company, Inc.(\$20,270 reported for 2018).

3. Waste Connection of Oregon, Inc. – Waste Connections receives special waste hauling revenue from Waste Connections of Oregon, Inc. (\$29,600 reported in 2018).

| <i>Requirement</i> | <i>Staff opinion</i> |
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| WAC 480-70-079 (3) states that if total transactions with an affiliated interest or a subsidiary are less than \$100,000 for the reporting period, the company must provide the name of the affiliated interest or subsidiary participating in the transactions and the total dollar amounts of the transactions. | Waste Connections has met this requirement. |
| For transactions over \$100,000 the following information is also required by rule (WAC 480-70-079 (3) (a) through (g) and WAC 480-70-079 (4)) | |
| <i>Requirement</i> | <i>Staff opinion</i> |
| Balance sheet and income statement for such affiliated interest (WAC 480-70-079 (3) (a)). | Waste Connections has met this requirement. |
| Description of the products or services provided to or from the company and each such affiliated interest or subsidiary (WAC 480-70-079 (3) (b)). | Waste Connections has met this requirement. |
| Description of the pricing basis or costing method, and procedures for allocating costs for such products or services, and the amount and accounts charged during the year (WAC 480-70-079 (3) (c)). | Waste Connections has met this requirement. |
| Description of the terms of any loans between the company and each such affiliated interest or subsidiary and a listing of the year-end loan amounts and maximum loan amounts outstanding during the year (WAC 480-70-079 (3) (d)). | Reported none. |
| Description of the terms and total amount of any obligation or liability assumed by the company for each such affiliated interest or subsidiary (WAC 480-70-079 (3) (e)). | Reported none. |
| Description of the activities of each such affiliated interest or subsidiary with which the company has transactions (WAC 480-70-079 (3) (f)). | Waste Connections has met this requirement. |

| <i>Requirement</i> | <i>Staff opinion</i> |
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| A list of all common officers and directors between the solid waste company and each such affiliated interest or subsidiary, along with their titles in each organization (WAC 480-70-079 (3) (g)). | Waste Connections has met this requirement. |
| File copies of affiliated interest contracts and arrangements as stated in WAC 480-70-078 (WAC 480-70-079 (4)). | Reported none. |

Areas and Elements Examined in the Next Rate Case:

Allocation for (overhead) services provided to the company by Waste Connections, Inc. and any potential effect on regulated customer rates; separation of revenue received for non-regulated or affiliated activities and any effects on regulated customer rates.

Conclusion

Take no other action on this filing at this time and close the docket.