

1
2
3
4
5 **BEFORE THE WASHINGTON UTILITIES**
6 **AND TRANSPORTATION COMMISSION**

7 In the Matter of:

8 Waste Management of Washington, Inc. d/b/a
9 Waste Management Sno-King

10 Re WAC 480-07-520(4)
11

CASE NO. TG-091933

DECLARATION OF
MICHAEL A. WEINSTEIN

Docket No. TG-091945
12

13 I, Michael A. Weinstein, declare under penalty of perjury as follows:

- 14 1. I am a citizen of the United States and a resident of the State of Washington. I am over
15 eighteen years of age and fully competent to make this declaration. I make this declaration
16 based on my personal knowledge.
- 17 2. I am employed by Waste Management of Washington, Inc. My present position is Senior
18 Pricing Manager of Waste Management of Washington, Inc.
- 19 3. For over twenty years, I have been responsible for preparing and filing tariffs and rate cases
20 with the Washington Utilities and Transportation Commission ("WUTC") for Waste
21 Management of Washington, Inc. and its corporate predecessors, as well as conducting
22 financial analyses related to Washington State operations.

23 **I. IDENTITY OF PETITIONER**

- 24 4. Waste Management of Washington, Inc. ("WMW") is a corporate subsidiary of Waste
25 Management, Inc. that performs full-service waste handling throughout Washington-state.
26 Corporate headquarters for Waste Management, Inc. are in Houston, Texas; the Western

1 Group offices are in Scottsdale, Arizona; and WMW, based in Kirkland, Washington, is one
2 of nine corporations operating in the Pacific Northwest Market Area.¹

- 3 5. WMW functions throughout Washington as several discrete business units, none of which is
4 separately incorporated but each of which operates as a separate revenue center. The
5 corporation includes ten divisions that perform collection services, both regulated and
6 unregulated, covering statewide operations under the WUTC's authority and 38 municipal
7 collection contracts. WMW also owns thirteen other operating units that provide post-
8 collection solid waste handling services, consisting of three landfills, six transfer stations and
9 four recycling centers in Washington.
- 10 6. WMW has nine different WUTC tariffs, one for each of the geographically-specific
11 collection entities that operate under authority of Certificate of Public Convenience and
12 Necessity No. G-237. The geographic scope of Certificate No. G-237 is vast, larger than any
13 other garbage company regulated by the WUTC. WMW's certificate is over twenty-five
14 pages long. WMW uses separate tariffs for each of the geographically-distinct collection
15 entities in order to directly tie the customers' rates to regional expenses. Waste Management
16 of Washington, Inc. d/b/a Waste Management Sno-King ("Sno-King") is one of the tariff-
17 specific entities.

18 II. CONTEXTUAL BACKGROUND

- 19 7. In April of 2009, Executive Secretary and Director Danner sent a letter which I understand
20 was mailed to all solid waste collection companies regulated by the Commission, informing
21 the industry of the agency's intention to "strictly enforce" certain specified rules, stating that
22 although they have been in effect for many years, "enforcement of these rules has been
23 inconsistent." One of the rules that was identified in the April letter was WAC 480-07-520,

24
25 ¹ During the test period used for the tariff filing that is the subject of this proceeding, the other corporations were
26 Hillsboro Landfill, Inc., Wastech, Inc., Riverbend Landfill Company, Inc., Chemical Waste Management of the
Northwest, Inc., Waste Management Disposal Services of Oregon, Inc.; Waste Management of Oregon, Inc., Waste
Management of Idaho, Inc., and Waste Management of Alaska, Inc. Waste Management of Canada Corporation has
since been added to the Market Area.

1 which sets forth the minimum submittal requirements for requesting tariff rate increases. A
2 copy of the April Letter is attached.

3 8. Following issuance of the April letter, tariff filings submitted by solid waste collection
4 companies were stringently reviewed for conformity with the rule. I know that, despite good
5 faith efforts by regulated garbage companies seeking general rate requests, various filings
6 were presented that failed to strictly comply with the minimum requirements of
7 WAC 480-07-520. Apparently taken unawares by Staff's interpretation of some of the
8 regulatory provisions, I am told that some companies voluntarily withdrew their filings,
9 rather than having the stigma of rejection on the record. For the past six months, both Staff
10 and industry have struggled with administration of the rule.

11 9. Ostensibly recognizing the need for clearer directions, on November 3, 2009, Staff issued a
12 letter intended to provide technical assistance to help the industry better understand the tariff
13 filing requirements. The November Guidance included examples of some required
14 documents, and a checklist for the filing elements. It also noted that companies have the
15 option of petitioning for an exemption or modification of a rule under WAC 480-07-110 as
16 one means of recourse, if the application of a rule would impose undue hardship or be
17 contrary to the underlying purposes of the regulation. A copy of the November Guidance is
18 attached.

19 III. PROCEDURAL SUMMARY

20 10. On November 30, 2009, I submitted a general rate filing requesting changes to Tariff No. 15
21 for Sno-King. This general rate request was a subsequent filing required by Commission
22 order. *See WUTC v. Waste Management of Washington, Inc., G-237, d/b/a WM Sno-King,*
23 *Docket No. TG-061433 (Order 01, November 29, 2006) (In which the Commission*
24 *conditioned its approval of a deferred fuel supplement component in the fall of 2006 on*
25 *requiring WMW to "file a general rate case for its WM-Sno-King operation no later than*
26 *December 1, 2009.")*

- 1 11. Staff reviewed the November Sno-King filing for compliance with WAC 480-07-520, and
2 informed me that it was missing several components. Staff told me that the filing was
3 sufficient to comply with the subsequent filing condition of the 2006 order because it was
4 timely submitted in good faith, but explained what was needed to meet the regulatory
5 requirements for general rate filings. Staff provided a checklist informing me of the
6 additional information required to deem the filing in compliance with WAC 480-07-520. A
7 copy of Staff's Checklist is attached.
- 8 12. Staff and company representatives communicated about the items identified on Staff's
9 Checklist. Many of the deficiencies were procedural rather than substantive. For example, I
10 did not submit PDF copies of the Excel spreadsheets, knowing that the auditors work directly
11 on the electronic documents and hoping to "save some trees." I failed to include a map of
12 Sno-King's territory for the tariff. There were other elements missing.
- 13 13. Almost all of the defects were capable of being easily corrected. However, Staff and the
14 company did not agree about two specific subsections in the filing regulation. One is
15 WAC 480-07-520(4)(d), which requires a separation of revenues and expenses between
16 regulated and non-regulated operations. The other is WAC 480-07-520(4)(h), which calls for
17 a detailed depreciation schedule.
- 18 14. To satisfy these two subsections, Staff took the position that information described in these
19 two subsections had to be provided about WMW as a whole, and submitting work papers
20 limited to Sno-King did not comply with the rule. The company, however, disagreed with
21 Staff's interpretation of the two provisions, believing past practices in which work papers
22 were only required for the entity to which the tariff applied represented a more supportable
23 reading of the regulatory requirements.
- 24 15. Following communications with Staff about the disputed rule interpretation and procedural
25 options for resolving it, on December 17, 2009, WMW resubmitted the Sno-King general
26

1 rate filing with corrections, and concurrently filed a *Petition for Rule Interpretation Or*
2 *Alternatively For Modification or Exemption* (“Petition”).

3 16. The general rate filing included information that I believed to be in compliance with the
4 requirements of WAC 480-07-520 as follows:

- 5 • WAC 480 07 520(4)(a): A pro forma income statement separated among Sno-King’s
6 solid waste, single family residential recycling, multifamily recycling, and yard waste
7 operations, with restating actual and pro forma adjustments, including all supporting
8 calculations and documentation for all adjustments.
- 9 • WAC 480 07 520(4)(b): A calculation of the revenue impact of the proposed tariff
10 changes to Sno-King’s operations.
- 11 • WAC 480 07 520(4)(c): A monthly income statement listing all Sno-King’s revenue
12 and expense accounts by month.
- 13 • WAC 480 07 520(4)(d): A detailed separation of all revenues and expenses between
14 Sno-King’s regulated and non-regulated operations was presented in the income
15 statement submitted in accordance with subsection (4)(a). Also, in response to this
16 subsection specifically, the filing included a detailed separation of all revenues and
17 expenses for each of the other collection operations, with expense allocated
18 proportionately on the basis of regulated and unregulated revenues for each one. The
19 filing also included a combined statement of detailed revenues and expenses for all of
20 WMW’s unregulated, non-collection operations added together. Also, because
21 Sno-King delivers recyclable materials to Cascade Recycling Center, WMW’s
22 Woodinville material recovery facility, the work papers included financial
23 information about that non-collection, nonregulated operation.
- 24 • WAC 480 07 520(4)(e): A detailed list of all Sno-King’s nonregulated operations,
25 including the rates charged for the services rendered.

- 1 • WAC 480 07 520(4)(f): Detailed price-out information that reconciles within five
- 2 percent, without adjustment, to the test period Sno-King's booked revenue, including
- 3 the test period customer count by Sno-King's tariff item.
- 4 • WAC 480 07 520(4)(g): A consolidated balance sheet for Sno-King and an annual
- 5 report for Waste Management, Inc., which included the percentage of equity and the
- 6 percentage of debt, and the cost of that debt by component because neither Sno-King
- 7 nor WMW has a debt-to-equity, ratio; it is only held by the parent.
- 8 • WAC 480 07 520(4)(h): A detailed depreciation schedule listing all used and useful
- 9 assets held by Sno-King during the test period, including the date of purchase, the
- 10 cost at purchase, the depreciable life, the salvage value, depreciation expense, and
- 11 accumulated depreciation expense at the end of the test period.
- 12 • WAC 480 07 520(4)(i): Computed average investment for Sno-King.
- 13 • WAC 480 07 520(4)(j): Information about every transaction with an affiliated
- 14 interest or subsidiary that directly or indirectly affects the proposed rates, including a
- 15 full description of the relationship, terms and amount of the transaction, the length of
- 16 time the relationship has been ongoing, and an income statement and balance sheet
- 17 for every affiliated entity, consisting of information about the allocations to Sno-King
- 18 of general and administrative costs from Waste Management, Inc. for services
- 19 provided in its Corporate headquarters and Western Group headquarters.
- 20 Additionally, information was provided about certain intra-company expenses not
- 21 involving affiliated interest transactions. The filing included information about G&A
- 22 allocated to Sno-King by WMW for Market Area overhead and services.

23 17. In the Petition, WMW requested that the Commission, interpret WAC 480-07-520(4) to
24 require work papers that provide financial analysis only of WMW's tariff-filing entity, in
25 accordance with WMW's interpretation and Staff's past practices; or grant an exemption or
26 modification of WAC 480-07-520(4) for not only the Sno-King filing but also for any future

1 filing that would excuse the requirements of providing a detailed separation of revenues and
2 expenses of the unregulated non-collection operations of WMW under
3 WAC 480-07-520(4)(d), and of preparing a detailed depreciation schedule for WMW as a
4 whole under WAC 480 07 520(4)(h).

5 18. At the Open Meeting on January 14, the Commission suspended the Sno-King tariff filing
6 and directed that both it and the Petition to be addressed together in an adjudicative
7 proceeding. Following the Open Meeting, the Commission issued its *Order of Consolidation*
8 *and Notice of Prehearing Conference*, in which the tariff filing (Docket No. TG-091933) and
9 the Petition (Docket No. TG-091945) were consolidated, and set for prehearing conference
10 on January 22, 2009. At the prehearing conference, an expedited briefing schedule was
11 agreed to for a ruling on WMW's Petition as soon as possible so that the merits of
12 Sno-King's proposed rate increase can be promptly considered and, if approved, allowed to
13 become effective.

14 IV. SUMMARY OF PAST PRACTICES

15 19. For over twenty years, I have filed general rate increase requests for changes to rates in
16 individual tariffs published specifically for each operational unit. Disposal fees, labor rates,
17 fuel prices, and other costs differ among various tariff territories in Spokane, Skagit County,
18 Wenatchee, Kitsap County, and Puget Sound. For that reason, supporting work papers
19 provided financial data about the tariff filing entity, similar to the submission for the
20 Sno-King filing.

21 20. For some period of time, at least through the early 1990's, Waste Management, Inc.'s
22 Washington-state collection entities were separately incorporated. Around 1992, the
23 company took steps to streamline its corporate structure and began consolidating its
24 collection operations by rolling up subsidiaries into a single entity.²

25
26 ² At the time, the collection company was Washington Waste Hauling & Recycling, Inc. In 1999, the name was
changed to Waste Management of Washington, Inc.

1 21. Somewhere in and around 1999, an internal analysis of revenues and expenses revealed that
2 the corporate structure was producing double taxation of state business and occupation
3 (B&O) taxes by having a corporate entity for solid waste collection, on the one hand, dealing
4 with separate corporations providing solid waste handling services, on the other. To
5 illustrate, when the Wenatchee collection operations delivered solid waste to the Greater
6 Wenatchee Landfill, both corporations would have paid B&O taxes on the same dollars
7 because the collection company would pay for the revenues produced by customers paying
8 tariff rates that included the disposal fees, and the landfill would pay for the revenues
9 attributable to the disposal fees paid by the collection company. The company, and its
10 customers, was incurring that double taxation unnecessarily. To minimize that tax burden,
11 the company began merging all of its Washington operations into one corporation, Waste
12 Management of Washington, Inc.

13 22. Corporate consolidation had no practical effect on tariff filings. The information contained
14 in the work papers provided to the Commission in compliance with WAC 480-07-520 did not
15 materially change, because each tariff entity continued to operate as a separate revenue
16 center. Following consolidation, each of the tariff entities continued to keep its own general
17 ledger. Equipment is not shared, and if any vehicles or containers are transferred from one
18 collection unit to another, the asset is taken off the books of the one and put on the books of
19 the other. Operational employees work for one entity only, and labor rates differ for each
20 collection unit, most of which have their own separate collective bargaining agreement for
21 garbage collection drivers. For the most part, each collection entity has its own office and
22 facilities – and if offices were shared with other operational units the method of assigning the
23 expenses remained unchanged after the corporate consolidation.

24 23. The only costs that are common among all the various corporations that operate under the
25 Waste Management umbrella are for general and administrative (G&A) overhead. The
26 separate collection business units in Washington – as well as the non-collection, unregulated

1 solid waste handling operations – share expenses only in the allocations of G&A costs.

2 When submitting a general rate request in accordance with WAC 480-07-520, the company
3 has historically included financial data detailing the G&A costs allocated from the Corporate,
4 Group and Market Area offices. Spreadsheets with line items for all of the G&A costs from
5 each level of company management have been provided with WMW filings, as they were
6 with the Sno-King filing. Work papers have documented the bases for allocating those costs
7 out to the tariff entity. For example, proportionate expenses of providing Market Area
8 customer services are allocated to Sno-King based on the number of customers it serves, in
9 relation to the total number of customers served in the Market Area. Another example is that
10 costs for human resource services are allocated based on the number of employees.
11 Similarly, fleet and safety costs are allocated based on the number of routes. Explanation
12 and support for each of the expenses and the relevant basis of allocation has always been
13 included with the work papers filed, as it was again with the Sno-King filing.

14 24. To the extent these G&A costs are incurred by WMW and its operating entities as a result of
15 administrative services performed by the parent company, an affiliated interest arrangement
16 between WMW and Waste Management, Inc. exists. Since WAC 480-70-079 was adopted
17 in 2005, on behalf of WMW I have filed annual reports detailing the nature of this
18 arrangement in accordance with the regulation. The Sno-King filing submitted in December
19 included the information about this affiliated interest arrangement in accordance with
20 WAC 480-07-520(4)(j).

21 25. Due to its corporate structure, intra-company transactions between the various collection
22 entities and the non-collection solid waste handling operations are not “affiliated interest”
23 transactions. WMW’s unregulated, non-collection solid waste handling facilities interact
24 with its collection entities in the following manner:

- 25 • Eastmont Transfer Station in Seattle (Seattle Collection)
- 26 • Kennewick Transfer Station (Kennewick Collection)

- 1 • Ellensburg Transfer Station (Ellensburg Collection)
- 2 • Cle Elem Transfer Station (Ellensburg Collection)
- 3 • Wenatchee Transfer Station (Wenatchee Collection)
- 4 • Alaska Street Transfer Station (None – Non-regulated transfer of CDL; soils and
- 5 other materials to the Columbia Ridge Landfill in Oregon)
- 6 • Cascade Recycling Center MRF (Seattle, Northwest, Sno-King, Skagit Collections)
- 7 • Ellensburg MRF (Ellensburg Collection)
- 8 • RNW Recycling MRF (South Sound Collection)
- 9 • Peninsula Recycling MRF (Brem-Air Collection)
- 10 • Greater Wenatchee Landfill (Wenatchee and Ellensburg Collections)
- 11 • Graham Road Landfill (Spokane Collection – CDL only)
- 12 • Olympic View Landfill (closed site) (previously Brem-Air Collection)

13 26. These are not affiliated interest transactions. Regardless, whenever any of the tariff entities
14 have filed a general rate increase, my work papers have included financial data for
15 Commission auditors to determine whether the intra-company charges are an appropriate
16 expense for including in the rate base. In these instances, the company has provided
17 information about the relevant non-collection, unregulated operation. For example, because
18 Sno-King delivers recyclable materials to the company's Cascade Recycling Center, an
19 income statement for the material recovery facility was included in the Sno-King filing.

20 27. If there is a transaction involving tipping fees, then the filings have included information for
21 Commission auditors to evaluate whether the total cost of disposal, including waste transfer,
22 transport, and disposal charges, is equal to or lower than any other reasonable and currently
23 available option, in accordance with the standards set forth in RCW 81.77.160. Where the
24 disposal price at the WMW-owned transfer station or landfill is established by contract with a
25 local government, then no financial data other than the established fees has been provided.

1 28. Otherwise, where there is no financial nexus between the tariff entity seeking a rate
2 adjustment and any of the unregulated, non-collection operations, financial information about
3 those unregulated solid waste handling facilities has not been included by WMW in its work
4 papers. No filing for over a decade has included an "income statement" for WMW as a
5 whole.

6 29. Nonetheless, in an attempt to assuage Staff's concerns about compliance by the Sno-King
7 filings with WAC 480-07-520(4)(d), I included in the Sno-King filing information about
8 WMW that had not historically been provided and varied from past practice. Specifically,
9 the filing included a detailed separation of all revenues and expenses for each of the other
10 WMW collection operations, with expenses allocated proportionately on the basis of
11 regulated and unregulated revenues for each one. The filing also included a combined
12 statement of detailed revenues and expenses for all of WMW's unregulated, non-collection
13 operations added together. It did not separately state the expenses and revenues for each
14 landfill, transfer station, or material recovery facility. The spreadsheet provided added them
15 all together, and presented consolidated information about each expense and line item. The
16 Sno-King work papers did not include an income statement for WMW, and provided
17 information about the corporation only in these consolidated, but detailed, breakdowns.

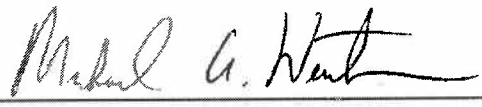
18 30. To submit the financial documentation that staff is seeking under its interpretation of
19 WAC 480-07-520(4)(d) would be unduly burdensome. To comply with Staff's new
20 interpretation of requiring a detailed separation of expenses and revenues for all WMW
21 Washington operations, preparing work papers for each filing would require the information
22 from each of the business unit's general ledgers to be manually compiled and analyzed. The
23 burden of undertaking that exercise for each filing would be enormous.

24 31. Furthermore, landfills, transfer stations and recycling facilities are not regulated. They are
25 highly competitive operations. The information about the expenses and revenues of those
26

1 entities is valuable commercial information, and includes confidential marketing, cost and
2 financial information.

3 32. With regard to WAC 480-07-520(4)(h), the requirement to produce a depreciation schedule
4 for all of WMW would impose a significant hardship on the company. Each operating entity
5 has its own general ledger, and the asset scheduled from each one would need to be
6 mechanically cut and paste into one master list. The act of compiling and presenting a fixed
7 asset analysis for WMW as a whole would be very time consuming. The spreadsheet
8 contained in the Sno-King filing has over 2,000 lines. WMW has a total of 23 distinct
9 operations, and a report for all of its fixed assets would be 50,000 to 100,000 lines long.
10 Information about the asset values could be downloaded from the company's system, but
11 depreciation for each would have to be manually calculated. It would take several days to
12 prepare a consolidated depreciation schedule. Compliance with Staff's interpretation would
13 require this pain-staking and time-consuming task be redone for each separate filing

14 DATED this 3rd day of FEBRUARY, 2010.

15
16 

17
18 Michael A. Weinstein



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

April 16, 2009

Dear Solid Waste Company:

This letter is to inform you of that, beginning immediately, the Utilities and Transportation Commission (UTC) intends to strictly enforce three rules found in the Washington Administrative Code (WAC). The rules – WAC 480-07-520, WAC 480-70-256, and WAC 480-70-079 – have been in effect for many years. However, enforcement of these rules has been inconsistent. Such inconsistency is not in the best interests of either the Commission or the regulated utilities.

WAC 480-07-520 sets forth what information and documents companies must provide to the UTC when requesting rate increases. WAC 480-70-256 allows the UTC to reject an incomplete filing for a general rate increase.¹ WAC 480-70-079 requires every company to file an affiliated interest and subsidiary report by June 1 for activities that occurred during the prior calendar year. A copy of these rules is enclosed for your reference.

Beginning June 1, 2009, you must submit the information and documents listed in WAC 480-07-520 with every rate increase request. **The UTC will reject a company's filing if it does not include the required information and documents.** Please note that WAC 480-07-520 lists the *minimum* requirements for filing a rate increase. Therefore, staff may ask you to submit additional information once the UTC accepts your filing.

Please note, as well, that for the period beginning January 1, 2009, and ending December 31, 2009, companies are expected to file the required affiliated interest and subsidiary report by June 1, 2010. The UTC will send you a letter next spring reminding you of your obligation.

¹ The definition of a general rate increase is found in WAC 480-07-505(1), which defines, with certain exceptions, every rate increase filed by a solid waste company as a "general rate proceeding." WAC 480-07-505(3) states that the following are not general rate increases that require the filing of information set forth in WAC 480-07-520:

- disposal fee pass-through charges for drop-box service, provided there are no affiliated interest relationships;
- filings for collection of per-customer pass-through surcharges and taxes imposed by the jurisdictional local government based on the current year customer count either as a specified dollar amount or percentage fee amount; and
- filings by existing solid waste companies for the implementation of new solid waste collection programs.

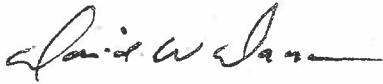
For instructions as to documents that must be filed with the UTC for any of the above rate increases, or for the annual adjustment to the commodity credit, please contact the UTC.



Solid Waste Company
April 16, 2009
Page 2

Thank you for your attention to this matter. If you have any questions, please call Penny Ingram at 360-664-1242 or Gene Eckhardt at 360-664-1249.

Sincerely,

A handwritten signature in black ink, appearing to read "David W. Danner", with a long horizontal flourish extending to the right.

David W. Danner
Executive Director and Secretary

Attachments:

1. WAC 480-07-520
2. WAC 480-70-256
3. WAC 480-70-079

WAC 480-07-520

General rate proceedings — Solid waste collection companies.

General rate increase filings by class A and B haulers as defined in WAC 480-70-041 must include the information described in this rule. The commission may reject a filing that fails to meet these minimum requirements, without prejudice to the company's right to refile its request in conformance with this section.

- (1) **Proposed tariff.** The proposed tariff sheets may be filed in electronic form supplemented by one paper copy. The proposed tariff sheets should be in legislative format, with strike-through to indicate any material to be deleted or replaced and underlining to indicate any material to be inserted. The electronic copy must be submitted in the format identified in WAC 480-07-140(6).
- (2) **Local government ordinances and notices.** A copy of every local government ordinance related to the request in compliance with WAC 480-70-326, and a copy of the customer notices issued in compliance with the provisions of WAC 480-70-271.
- (3) **Transmittal letter.** A transmittal letter prepared in compliance with the provisions of WAC 480-70-326.
- (4) **Work papers.** One paper and one electronic copy of all supporting work papers for the test period, which is the most recent or most appropriate consecutive twelve-month period for which financial data are available. The electronic copy must be submitted in the format identified in WAC 480-07-140(6). Work papers must include:
 - (a) A detailed pro forma income statement separated among solid waste, single family residential recycling, multifamily recycling, and yard waste, with restating actual and pro forma adjustments, including all supporting calculations and documentation for all adjustments.
 - (i) "Restating actual adjustments" adjust the booked operating results for any defects or infirmities in actual recorded results that can distort test period earnings. Restating actual adjustments are also used to adjust from an as-recorded basis to a basis that is acceptable for rate making. Examples of restating actual adjustments are adjustments to remove prior period amounts, to eliminate below-the-line items that were recorded as operating expenses in error, to adjust from book estimates to actual amounts, and to eliminate or to normalize extraordinary items recorded during the test period.
 - (ii) "Pro forma adjustments" give effect for the test period to all known and measurable changes that are not offset by other factors. The filing must identify dollar values and underlying reasons for each proposed pro forma adjustment.

- (b) A calculation of the revenue impact of proposed tariff revisions.
- (c) An income statement listing all revenue and expense accounts by month.
- (d) If nonregulated revenue represents more than ten percent of total company test period revenue, a detailed separation of all revenue and expense between regulated and nonregulated operations.
- (e) A detailed list of all nonregulated operations, including the rates charged for the services rendered. Copies of all contracts must be provided on request.
- (f) Detailed price-out information that reconciles within five percent, without adjustment, to the test period booked revenue, including the test period customer count by tariff item.
- (g) A consolidated balance sheet, including the percentage of equity and the percentage of debt, and the cost of that debt by component.
- (h) A detailed depreciation schedule listing all used and useful assets held by the company during the test period, including the date of purchase, the cost at purchase, the depreciable life, the salvage value, depreciation expense, and accumulated depreciation expense at the end of the test period.
- (i) Computed average investment. Average investment is the net book value of allowable assets at the beginning of the test period plus the net book value of allowable assets at the end of the test period, divided by two. Investor supplied working capital may be included, provided a work sheet is submitted detailing the calculations.
- (j) Information about every transaction with an affiliated interest or subsidiary that directly or indirectly affects the proposed rates. This must include: A full description of the relationship, terms and amount of the transaction, the length of time the relationship has been ongoing, and an income statement and balance sheet for every affiliated entity.

(5) **Annual report.** The most recent consolidated annual report to shareholders, if any.

[Statutory Authority: RCW 80.01.040 and 80.04.160. 06-16-053 (Docket A-050802, General Order R-536), § 480-07-520, filed 7/27/06, effective 8/27/06; 03-24-028 (General Order R-510, Docket No. A-010648), § 480-07-520, filed 11/24/03, effective 1/1/04.]

WAC 480-70-256
Tariffs, rejection.

The commission will reject tariffs that:

- (1) Do not contain all required information, including, but not limited to, that required by WAC 480-07-520;
- (2) Do not comply with format rules;
- (3) Are not accompanied by required maps;
- (4) Reflect retroactive rate treatment;
- (5) Are not filed in accordance with the notice requirements shown in WAC 480-70-261 through 480-70-276; or
- (6) Contain provisions that conflict with state statutes or commission rules.

[Statutory Authority: RCW 80.01.040 and 80.04.160, 03-24-028 (General Order R-510, Docket No. A-010648), § 480-70-256, filed 11/24/03, effective 1/1/04. Statutory Authority: RCW 81.04.160, 81.77.030 and 80.01.040, 01-08-012 (Docket No. TG-990161, General Order No. R-479), § 480-70-256, filed 3/23/01, effective 4/23/01.]

WAC 480-70-079

Affiliated interest and subsidiary transactions report.

(1) By June 1 of each year each Class A company must file a report summarizing all transactions that occurred between the company and its affiliated interests, except for transactions provided at tariff rates, and the company and its subsidiaries, during the period January 1 through December 31 of the preceding year.

(2) The information required in this subsection must be for total company and for total state of Washington. The report must include a corporate organization chart of the company and its affiliated interests and subsidiaries.

(3) When total transactions with an affiliated interest or a subsidiary are less than one hundred thousand dollars 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. When total transactions with an affiliated interest or subsidiary equal or exceed one hundred thousand dollars for the reporting period, the company must provide:

(a) A balance sheet and income statement for such affiliated interest;

(b) A description of the products or services provided to or from the company and each such affiliated interest or subsidiary;

(c) A 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;

(d) A 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;

(e) A description of the terms and total amount of any obligation or liability assumed by the company for each such affiliated interest or subsidiary;

(f) A description of the activities of each such affiliated interest or subsidiary with which the company has transactions; and

(g) 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.

(4) The company is obligated to file verified copies of affiliated interest contracts and arrangements as stated in WAC 480-70-078 (Affiliated interests -- Contracts or arrangements).



STATE OF WASHINGTON
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

Ref. No. 4-1249

November 3, 2009

Dear Solid Waste Company:

In April 2009, you were advised that the Utilities and Transportation Commission (UTC) intends to strictly enforce WAC 480-70-256, which allows the UTC to reject an incomplete filing for a general rate increase. In response to questions received from industry, staff prepared this letter to provide technical assistance to help you understand the filing requirements. This letter is for your assistance only and is not a definitive statement of the law.

DOCUMENTATION REQUIRED FOR A GENERAL RATE CASE

The documents you must submit to complete your general rate case filing are found in WAC 480-07-520. The five sub-sections of this rule are addressed individually below.

- 1) Proposed tariff. The commission adopted a standard tariff template and ordered all traditional solid waste collection companies to use the standard template for all rate filings. The standard template is posted on the commission's web site (www.wutc.wa.gov) at the solid waste collection industry page, under forms, at the following address:

<http://www.wutc.wa.gov/webdocs.nsf/de53b07997d108ea882563b50072c5b3/99fab7541f5f6fa088256b300077fce4!OpenDocument>

If the tariff filing is made by a person other than an owner, partner, or corporate officer, the company must include with its tariff filing a statement granting authority for that person to file on behalf of the company. The statement must be signed by an owner, partner, or corporate officer, and may be incorporated into the transmittal letter accompanying the filing. See also WAC 480-70-326(3)(b).

- 2) Local government ordinances and notices. If the filing results from the action of another entity or governmental body, the company must file documentation of that action. For example: ordinances, resolutions, and disposal site fee increase or decrease voted upon by the county council. See also WAC 480-70-326(3)(a).

The company is required to include with the filing a copy of the customer notice. Although the company must provide each affected customer notice at least thirty (30) days before the requested effective date, this rule requires the company to provide the UTC with a copy of

the customer notice with its filings, which is made at least forty-five (45) days before the requested effective date. See also WAC 480-70-271 and 480-70-266.

- 3) Transmittal letter. The company must file two copies of a transmittal letter with each tariff filing submitted to the commission. The commission will stamp one copy of the letter and return it to the company as acknowledgment that the filing was received. The transmittal letter must include at least the following:
- (i) The name, certificate number, and trade names of the company;
 - (ii) A description of each proposed change and a brief statement of the reason for each change;
 - (iii) The dollar and percentage amounts that revenue will change if the filing is approved by the commission;
 - (iv) The percentage amount that rates will change if approved by the commission;
 - (v) A contact person's name, mailing address, telephone number, fax number (if any), and e-mail address (if any); and
 - (vi) A statement that the company mailed a copy of the transmittal letter to the chair of the county commission or county council of each county affected by the filing.
- 4) Work Papers. You must provide one paper and one electronic copy of all supporting work papers. If you submit electronic spreadsheets, such as Excel, for every number that is the result of a calculation, the electronic spreadsheet must show the calculation either by formula imbedded in the cell, comment attached to the cell, or by a separate statement within the spreadsheet referencing the cell.

WAC 480-07-520(4) provides a detailed list of the work papers required. This technical assistance explains, in general terms, the scope of required work papers within three categories: income statements, non-regulated operations, and affiliated interests transactions. Each is discussed below.

Income Statements. An "income statement" is a financial statement that shows revenue, expenses, and net income. Attachment A, Schedule 3 of the commission's Class A 2008 Annual Report, is an example of an *Income Statement*.

Attachment B is an example of a *Monthly Income Statement*, as required by WAC 480-07-520(4)(c). The *Monthly Income Statement* is the operation's monthly revenue and expense balances, and net income for all of the company's regulated and non-regulated activities,

organized into a twelve-month worksheet. This twelve-month summary is the company's "test year" and the twelve-month totals are the company's test year "per books numbers".

Attachment C is an example of a *Separated Pro Forma Income Statement* which is a pro forma income statement showing the company's results separated by activity, as required by the rule. The example starts with the company's test year "Per Books 12/31/2008" numbers. The last column ("Per Books 12/31/08") of the *Monthly Income Statement* is the first column of data ("Per Books 12/31/08") of the *Separated Pro Forma Income Statement*. The per books numbers are revised to reflect both restating and pro forma adjustments, separated between regulated and non-regulated activities, and further separated between regulated activities. The example in Attachment C demonstrates the minimum disclosure required on the separated pro forma income statement; additional separation or allocation may be necessary for your particular company. An income statement such as Attachment C is also a convenient format for showing the required revenue impact calculation of the proposed tariff revisions.

Non-regulated operations. The rules require a detailed listing of all of the company's non-regulated services. Examples of non-regulated services include transfer station operations and hauling, landfill operations, document shredding services, city contracts (garbage, yard waste or recycling), storage rental, commercial recycling, portable toilet services, etc.

You must state the services provided and the rates you charged. This requirement applies to all non-regulated activity, even if the revenues of the non-regulated activity are less than ten percent of the company's total test year revenue. For any non-regulated operations provided by contract, such as service provided to a city, you must also provide a copy of the contract upon request.

If the total revenue of all of the company's non-regulated operations combined is more than ten percent of the total revenues per books, the rule requires the company to provide a detailed separation of all revenue and expenses for both the regulated and non-regulated operations. Attachment C is an example of a separated pro forma income statement for a company that provides non-regulated services. Please note that, in order to determine if rates are fair, just, and reasonable, staff may request the company to separate non-regulated operations that are less than ten percent of the total per books revenues.

Affiliated interests. The rules require the company to submit information about every transaction with an affiliate¹ or subsidiary that directly or indirectly affects the proposed

¹ RCW 81.16.010(2) "Affiliated interest" means:

(a) Every corporation and person owning or holding directly or indirectly five percent or more of the voting

rates. The transaction may be one of services for money, an exchange of service for service (e.g., vehicle repair for accounting), or sharing assets (e.g., facilities, trucks, containers, etc.).

The information the company must submit is a full description of the service provided, the terms and conditions of the arrangement, the total dollar amount of the transactions for the service provided, a description of how long the relationship has been ongoing, and, if applicable, an income statement and balance sheet for each affiliated entity.

- 5) Annual Reports. Provide the most recent consolidated annual report to shareholders or state that there is no such report.

The above general discussion of requirements set forth in WAC 480-07-520 is no substitute for your careful reading of this particular subsection of the rules. Please do not hesitate to contact staff for clarification.

PETITION FOR MODIFICATION OF RULES

WAC 480-07-110 allows the company to petition the commission for exemption or modification of a rule. The commission may grant such a petition based on the public interest, considering such factors as whether application of the rule would impose undue hardship on the requesting person of a degree or a kind different from hardships imposed on other similarly situated persons, and whether the effect of applying the rule would be contrary to the underlying purposes of the rule.

SUMMARY CHECK SHEET AND CONTACT INFORMATION

Staff hopes that you find this information helpful. To additionally assist you in determining whether or not your filing meets the requirements set forth in WAC 480-07-520, staff also

securities of any public service company engaged in any intrastate business in this state;

(b) Every corporation and person, other than those above specified, in any chain of successive ownership of five percent or more of voting securities, the chain beginning with the holder of the voting securities of such public service company;

(c) Every corporation five percent or more of whose voting securities are owned by any person or corporation owning five percent or more of the voting securities of such public service company or by any person or corporation in any such chain of successive ownership of five percent or more of voting securities;

(d) Every corporation or person with which the public service company has a management or service contract; and

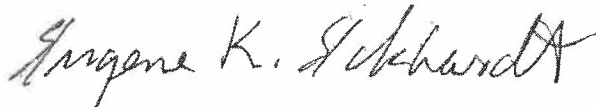
(e) Every person who is an officer or director of such public service company or of any corporation in any chain of successive ownership of five percent or more of voting securities.

provides a summary check sheet (attached) that identifies each of the requirements and makes a note of the location of each document in the company's rate case.

Please understand that even though your rate case filing may be complete, staff may request that you provide additional information.

Please contact Gene Eckhardt at (360) 664-1249 or David Gomez at (360) 664-1240 if you have any questions concerning this letter or the filing requirements for a general rate case. We look forward to working with you to ensure that your filing is complete.

Sincerely,



Eugene K. Eckhardt
Assistant Director of Solid Waste, Water and Transportation
Regulatory Service Division

Enclosures (3)

ATTACHMENT A
Income Statement – Class A Annual Report

Schedule 3 – Income Statement

Instructions: Complete this Total Company Income Statement in accordance with the end-of-year accumulated figures as reflected in company books of account.

Line No.	Account (a)	Total Company (b)
Revenues		
1	Solid Waste Operating Revenues (Line 12d, Schedule 4A)	
2	Other	
3	Total Revenues	
Expenses		
4	Driver Wages and Benefits	
5	Truck Operating Costs	
6	Repair and Maintenance	
7	Insurance and Safety	
8	Disposal and Processing	
9	Depreciation	
10	Selling and Advertising	
11	Office and Administration	
12	Management Fees	
13	Taxes and Licenses	
14	Rents	
15	Other Expenses	
16	Total Expenses before Other Items	
		<i>(add Lines 4 thru 15)</i>
17	Net Income before Other Items	
		<i>(Line 3 minus Line 16)</i>
Other Income and Expenses		
18	Other Income/(Loss)	
19	Interest, Dividends, and Other Investment Income/(Loss)	
20	Distrib./Undistrib. Income/(Loss) from Subsidiaries	
21	Interest Expense	
22	Other Deductions	
23	Extraordinary Items (Net)	
24	Total Other Income and Expense	
		<i>(add Lines 18 thru 23)</i>
25	Net Income before Federal Income Taxes	
		<i>(Line 17 and Line 24)</i>
26	Federal Income Taxes	
27	Net Income/(Loss)	

Solid Waste General Rate Case Checklist

Staff provides this checklist to help you determine if your filing meets the requirements set forth in WAC 480-07-520. A complete and well organized rate case will facilitate staff's review. Filing a copy of this checklist with your rate case will help the assigned staff in their first task, which is to determine if the filing meets the requirements. We hope that you find this information helpful. If you have questions regarding the filing requirements, we will be happy to answer your questions.

- Mark an "X" in "blank space" if the document was provided in the company's general rate case filing.
- Location of document: If applicable, write the location where the document can be found in the work papers.
- Item not filed: If applicable, write "YES" if the item was not provided AND the company filed a petition for exemption.
- Item not filed: Write "NO" if the item was not provided AND the company did NOT file a petition for exemption.

___ 480-07-520(1) Proposed Tariff. The proposed tariff sheets filed with one paper copy.

- ___ 480-07-140(1)(a) Tariff sheets filed electronically were submitted via the commission's records center web portal and according to WAC 480-07-140(6)
- ___ Tariff complies with WAC 480-70-226 through WAC 480-70-351.
- ___ Tariff complies with standard tariff template.

___ 480-07-520(2) Local government ordinances and notices.

- ___ 480-70-326(3)(a) Filings due to governmental or other entity, action require documentation of that action. Examples of documentation include: ordinances, resolutions, and disposal site fee increase or decrease notices.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

- ___ A copy of the customer notice the company has, or will, mail to customers in compliance with WAC 480-70-271.

___ 480-07-520(3) Transmittal Letter

- ___ 480-70-326(2)(a) requires:
 - ___ (i) The name, certificate number, and trade names of the company
 - ___ (ii) A description of each proposed change and a brief statement of the reason for each change;
 - ___ (iii) The dollar and percentage amounts that revenue will change if the filing is approved by the commission;
 - ___ (iv) The percentage amount that rates will change if approved by the commission;
 - ___ (v) A contact person's name, mailing address, telephone number, fax number (if any), and e-mail address (if any); and
 - ___ (vi) A statement that the company mailed a copy of the transmittal letter to the chair of the county commission or county council of each county affected by the filing.

- ___ 480-70-326(2)(b) requires the transmittal letter accompanying a filing that increases rates or charges must also include the date customer notice was, or will be, mailed or delivered to all affected customers.

- ___ 480-70-326(3)(b) requires that a tariff filing made by a person other than an owner, partner, or corporate officer, a statement granting authority for that person to file on behalf of the company must be signed by an owner, partner, or corporate officer, and may be incorporated into the transmittal letter accompanying the filing.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

___ 480-07-520(4) Work papers.

- ___ One paper and one electronic copy of all supporting work papers for the test year, which is the most recent or most appropriate consecutive twelve-month period for which financial data are available.

- ___ 4(a) A detailed pro forma income statement separated among solid waste, single-family residential recycling, multifamily recycling, and yard waste, with restating actual and pro forma adjustments, including all supporting calculations and documentation for all adjustments.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

- ___ Every number resulting from a calculation includes the formula used to calculate the number: by formula imbedded in a spreadsheet cell, by formula included in a comment attached to the cell containing the number, or by a separate statement within the document referencing the number or cell containing the number.

___ **4(a)(i) Restating actual adjustments.** The booked operating results adjusted for any defects or infirmities in actual recorded results that can distort test period earnings. Examples of restating actual adjustments are adjustments to remove prior period amounts, eliminate below-the-line items that were recorded as operating expenses in error, to adjust from book estimates to actual amounts and to eliminate or to normalize extraordinary items recorded during the test period.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

___ **4(a)(ii) Pro forma adjustments** give effect for the test period to all known and measurable changes that are not offset by other factors. The filing must identify dollar values and underlying reasons for each proposed pro forma adjustment.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

___ **4(b)** A calculation of the revenue impact of proposed tariff revisions.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

___ **4(c)** An income statement listing all revenue and expense accounts by month.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

___ **4(d)** If non-regulated revenue represents more than ten percent of total company test period revenue, a detailed separation of all revenue and expenses between regulated and non-regulated operations.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

____ 4(e) A detailed list of all non-regulated operations, including the rates charged for the services rendered. Copies of all contracts must be provided on request.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

____ 4(f) Detailed price-out information that reconciles within 5%, without adjustment, to the test period booked revenue, including the test period customer count by tariff item.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

____ 4(g) A consolidated balance sheet, including the percentage of equity, percentage of debt and the cost of that debt by component.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

____ 4(h) A detailed depreciation schedule listing all used and useful assets held by the company during the test period that includes:

- ____ The date of purchase.
- ____ The cost at purchase.
- ____ The depreciable life.
- ____ The salvage value.
- ____ Depreciation expense.
- ____ Accumulated depreciation expense at the end of the test period.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

____ 4(i) Computed average investment. (Net book value of allowable assets at the beginning of the test period PLUS the net book value of allowable assets at the end of the test period DIVIDED by 2 EQUALS net book value of allowable assets.) Investor supplied working capital may be included, provided a work sheet is submitted detailing the calculations.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

____ 4(i) Information about every transaction with an affiliated interest or subsidiary that directly or indirectly affects the proposed rates. This must include:

- ____ Full description of the relationship, terms and amount of the transaction
- ____ The length of time the relationship has been ongoing
- ____ An income statement and balance sheet for every affiliated entity.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

____ 480-07-520(5) Annual report. Most recent consolidated annual report to shareholders, if any.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

Solid Waste General Rate Case Checklist

COMPANY: WASTE MANAGEMENT OF WASHINGTON - SNO KING

DOCKET NO. TG- 091861 RECEIVED: Nov. 30, 2009

ASSIGNED STAFF: CHRIS MICKELSON (NICKI JOHNSON - CO-STAFF)

DATE REVIEW COMPLETED: 12/3/09

RECOMMENDATION: COMPLETE MISSING PARTS ; RE-FILE.
DOESN'T MEAN FILING REQUIREMENTS IN WAC

Staff provides this checklist to help you determine if your filing meets the requirements set forth in WAC 480-07-520. A complete and well organized rate case will facilitate staff's review. Filing a copy of this checklist with your rate case will help the assigned staff in their first task, which is to determine if the filing meets the requirements. We hope that you find this information helpful. If you have questions regarding the filing requirements, we will be happy to answer your questions.

- Mark an "X" in "blank space" if the document was provided in the company's general rate case filing.
- Location of document: If applicable, write the location of where the document can be found in the work papers.
- Item not filed: If applicable, write "YES" if the item was not provided AND the company filed a petition for exemption.
- Item not filed: Write "NO" if the item was not provided AND the company did NOT file a petition for exemption.

480-07-520(1) Proposed Tariff. The proposed tariff sheets filed with one paper copy.

-
- o 480-07-140(1)(a) Tariff sheets filed electronically were submitted via the commission's records center web portal and according to WAC 480-07-140(6)

Tariff complies with WAC 480-70-226 through WAC 480-70-351.

Tariff complies with standard tariff template.
MAP, TITLES, SYMBOLS, ETC.
FONT

480-07-520(2) Local government ordinances and notices.

READY
ALREADY
ABOUT

- o 480-70-326(3)(a) Filings due to governmental or other entity, action require documentation of that action. Examples of documentation include: ordinances, resolutions, and disposal site fee increase or decrease notices.

Location of document: _____

Item not provided: filed petition for exemption: _____

NANCY
ALREADY
TALKED
ABOUT

- o A copy of the customer notice the company has, or will, mail to customers in compliance with WAC 480-70-271. - NO. NANCY PAULSON WILL INFORM MIKE OF CHANGES TO BE MADE ON NOTICE.

_____ 480-07-520(3) Transmittal Letter

- o _____ 480-70-326(2)(a) requires:
 - (i) The name, certificate number, and trade names of the company
 - (ii) A description of each proposed change and a brief statement of the reason for each change;
 - (iii) The dollar and percentage amounts that revenue will change if the filing is approved by the commission;
 - NO. _____ (iv) The percentage amount that rates will change if approved by the commission;
 - NO. _____ (v) A contact person's name, mailing address, telephone number, fax number (if any), and e-mail address (if any); and
 - (vi) A statement that the company mailed a copy of the transmittal letter to the chair of the county commission or county council of each county affected by the filing.
- o 480-70-326(2)(b) requires the transmittal letter accompanying a filing that increases rates or charges must also include the date customer notice was, or will be, mailed or delivered to all affected customers.
- o 480-70-326(3)(b) requires that a tariff filing made by a person other than an owner, partner, or corporate officer, a statement granting authority for that person to file on behalf of the company must be signed by an owner, partner, or corporate officer, and may be incorporated into the transmittal letter accompanying the filing.

Location of document: _____

Item not provided: filed petition for exemption: _____

_____ 480-07-520(4) Work papers.

- o One paper and one electronic copy of all supporting work papers for the test year, which is the most recent or most appropriate consecutive twelve-month period for which financial data are available.

2 No Separation

4(a) A detailed pro forma income statement separated among solid waste, single family residential recycling, multifamily recycling, and yard waste, with restating actual and pro forma adjustments, including all supporting calculations and documentation for all adjustments.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

- Every number resulting from a calculation includes the formula used to calculate the number: by formula imbedded in a spreadsheet cell, by formula included in a comment attached to the cell containing the number, or by a separate statement within the document referencing the number or cell containing the number. IS (MONTHLY) DOESN'T HAVE FORMULAS FOR EACH MONTH TOTAL, NO FORMULAS FOR FIXED ASSET DETAIL.

4(a)(i) Restating actual adjustments. The booked operating results adjusted for any defects or infirmities in actual recorded results that can distort test period earnings. Examples of restating actual adjustments are adjustments to remove prior period amounts, eliminate below-the-line items that were recorded as operating expenses in error, to adjust from book estimates to actual amounts and to eliminate or to normalize extraordinary items recorded during the test period.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

4(a)(ii) Pro forma adjustments give effect for the test period to all known and measurable changes that are not offset by other factors. The filing must identify dollar values and underlying reasons for each proposed pro forma adjustment.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

4(b) A calculation of the revenue impact of proposed tariff revisions.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

4(c) An income statement listing all revenue and expense accounts by month.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

1

NO. 4(d) If non-regulated revenue represents more than ten percent of total company test period revenue, a detailed separation of all revenue and expenses between regulated and non-regulated operations.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

NO. 4(e) A detailed list of all non-regulated operations, including the rates charged for the services rendered. Copies of all contracts must be provided on request.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

4(f) Detailed price-out information that reconciles within 5%, without adjustment, to the test period booked revenue, including the test period customer count by tariff item.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

NO 4(g) A ^{YES} consolidated balance sheet, including the percentage of equity, percentage of debt and the cost of that debt by component.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

 4(h) A detailed depreciation schedule listing all used and useful assets held by the company during the test period that includes: SNOW-KING (ONLY)

- o The date of purchase.
- o The cost at purchase.
- o The depreciable life.
- NO o The salvage value.
- o Depreciation expense.
- o Accumulated depreciation expense at the end of the test period.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

4(i) Computed average investment. (Net book value of allowable assets at the beginning of the test period PLUS the net book value of allowable assets at the end of the test period DIVIDED by 2 EQUALS net book value of allowable assets) Investor supplied working capital may be included, provided a work sheet is submitted detailing the calculations.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

NO. _____ 4(i) Information about every transaction with an affiliated interest or subsidiary that directly or indirectly affects the proposed rates. This must include:

- NO. _____ Full description of the relationship, terms and amount of the transaction
- NO. _____ The length of time the relationship has been ongoing
- NO. _____ An income statement and balance sheet for every affiliated entity.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

No. _____ 480-07-520(5) Annual report. Most recent consolidated annual report to shareholders, if any.

Location of document: _____.

Item not provided: filed petition for exemption: _____.

PROVIDE IN
1ST EMAIL.
= ONLY STAFF
HOWEVER.