

BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant

v.

WASTE MANAGEMENT OF
WASHINGTON, INC., d/b/a WASTE
MANAGEMENT – NORTHWEST,

Respondent.

.....
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant

v.

WASTE MANAGEMENT OF
WASHINGTON, INC, d/b/a WASTE
MANAGEMENT – SNO-KING,

Respondent.

.....
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

WASTE MANAGEMENT OF
WASHINGTON, INC., d/b/a WASTE
MANAGEMENT – SOUTH SOUND,
WASTE MANAGEMENT OF SEATTLE,

Respondent.
.....

DOCKET TG-101220

DOCKET TG-101221

DOCKET TG-101222

(CONSOLIDATED)

ORDER
APPROVING AND ADOPTING
PARTIAL SETTLEMENT AGREEMENT
(PROPOSED)

1
2 **SUMMARY**

- 3 1. Dockets TG-101220, TG-101221, and TG-101222 involve setting recycling commodity
4 credits for three different operating divisions of Waste Management of Washington, Inc.
5 (“Waste Management”, “WM” or “Company”), and also involve Revenue Sharing
6 Agreements between the Company, on the one hand, and King and Snohomish Counties, on
7 the other. The Washington Utilities and Transportation Commission (“Commission”) Staff
8 and Waste Management have proposed a *Stipulation and Partial Settlement Agreement* that
9 requests the Commission to lift suspension and approve on a permanent basis an adjustment
10 to Waste Management’s recycling commodity credits for the remaining six-months of the
11 twelve-month period. Issues related to statutory interpretation and implementation of RCW
12 81.77.185, which authorizes revenue sharing, remain the subject of litigation. The
13 Commission approves and adopts the *Stipulation and Partial Settlement Agreement* and finds
14 that it implements a reasonable resolution of the issues related to establishing the recycling
15 commodity credit at issue in these dockets.

16 **PROCEDURAL HISTORY**

- 17 2. On July 16, 2010, Waste Management of Washington, Inc., filed with the Commission
18 revisions to three of the Company’s then-effective tariffs, requesting approval to adjust its
19 recycling commodity credits under WAC 480-70-351 and approve a request to retain fifty
20 percent of the revenue it estimated it would receive from the sale of recyclable materials
21 collected under its regulated recycling services by three of the Company’s operating
22 divisions in King County and Snohomish County under RCW 81.77.185.
- 23 3. All of the filings in the above-referenced dockets proposed to increase the recycling
24 commodity credits Waste Management pays to single-family and multi-family customers for
25 the revenue Waste Management receives from the sale of the recyclable materials that Waste
26

1 Management collects in its residential recycling collection service, using a deferred
2 accounting methodology to determine the amount of the credits. *See* WAC 480-70-351.

- 3 4. In the same dockets, Waste Management contemporaneously filed a Revenue Sharing
4 Agreement (“RSA”), with both Snohomish County (for WM – Northwest) and with King
5 County (for WM – Sno-King and for WM – South Sound/Seattle) for the period of
6 September 1, 2010, to August 31, 2011 (the “2010-2011 RSAs”), in implementation of
7 RCW 81.77.185. Waste Management also included with its filing a report of how the
8 revenues from the sale of recyclable commodities were spent during the immediately-
9 preceding plan period of July 1, 2009, to June 30, 2010, under the previously-effective RSAs
10 with the two Counties (the “2009-2010 RSAs”).
- 11 5. Following deliberation at the Open Meeting on August 26, 2010, the Commission issued
12 Order 01 in Dockets TG-101220, TG-101221, and TG-101222 on August 31, 2010, which
13 authorized Waste Management to retain fifty percent of the revenues derived from the sale of
14 recyclable materials collected in Waste Management’s three single-family and multi-family
15 residential recycling programs on an interim basis, from September 1, 2010, through
16 December 1, 2010, subject to refund.
- 17 6. The Commission took no action on the three revised commodity credits, thereby allowing
18 them to go into effect September 1, 2010, by operation of law. Order 01, however, reserved
19 the Commission’s intent to revisit the commodity credit amounts that were allowed to go into
20 effect by operation of law in these dockets.
- 21 7. The authorization in Order 01 to retain revenues was conditioned on the Company providing
22 further information. On November 1, 2010, as required by Order 01, Waste Management
23 filed a *Petition to Allow Revenue Sharing, Lift Interim Status and Approve Revised*
24 *Commodity Credits*.
- 25 8. Waste Management’s *Petition* was considered at the Commission’s Open Meeting on
26 November 24, 2010. Thereafter, the Commission issued Order 02, suspending the operation

1 of the revised tariff revisions in Dockets TG-101220, TG-101221, and TG-101222, pending
2 hearing or hearings concerning all proposed changes, and sent the matter to the
3 Administrative Law Division of the Commission.

4 9. On December 1, 2010, the Commission issued Order 03, consolidating the three Waste
5 Management dockets and setting them for prehearing conference on December 20, 2010.

6 10. In the meantime, a different proceeding that presents related issues regarding the
7 interpretation of RCW 81.77.185 is also pending before the Commission. *See In re Mason*
8 *County Garbage Co., Inc. d/b/a/ Mason County Garbage, G-88, Docket TG-101542; In re*
9 *Murrey's Disposal Co., Inc., G-9, Docket TG-101545; In re American Disposal Co., Inc.,*
10 *G-87, Docket TG-101548 (consolidated) (the "American Disposal Docket").*

11 11. The parties to this Waste Management proceeding and the parties in the American Disposal
12 Docket convened before Administrative Law Judge Kopta on December 20, 2010. At that
13 time, Waste Management was granted intervenor status in the American Disposal Docket.
14 Dockets TG-101542/101545/101548 Order 03 ¶ 4 (granting intervention status to Waste
15 Management in the American Disposal Docket). Because the statutory issues presented in
16 this Waste Management dockets may depend on the outcome of the American Disposal
17 Docket, the procedural schedule in this case is "on hold" pending entry of an initial order in
18 that matter. Order 04 ¶ 8 (deferring further administrative action on the Waste Management
19 dockets).

20 12. In accordance with the discussion at the Open Meeting on November 24, 2010, Waste
21 Management and Commission Staff have communicated regarding possible resolution of the
22 issues presented in the consolidated docket matters. As the result of those communications,
23 on February __, 2011, the Commission Staff and the Company filed with the Commission a
24 proposed *Stipulation and Partial Settlement Agreement*, and a *Joint Narrative Supporting*
25 *Partial Settlement Agreement*.

1 **PARTY REPRESENTATIVES**

2 13. Complainant's name and address are as follows:

3 Washington Utilities and Transportation Commission
4 1300 S. Evergreen Park Drive S.W.
5 P.O. Box 47250
6 Olympia, WA 98504-7250
7 (360) 664-1160

8 14. Complainant's attorney's name and address are as follows:

9 Fronda Woods
10 Assistant Attorney General
11 1400 S. Evergreen Park Drive S.W.
12 P.O. Box 40128 Olympia, WA 98504-0128
13 (360) 664- 1225
14 fwoods@utc.wa.gov

15 15. Respondent's name and address are as follows:

16 Waste Management of Washington, Inc.
17 13225 N.E. 126th Place
18 Kirkland, WA 98034

19 16. Respondent's attorney's name and address are as follows:

20 Polly L. McNeill
21 Summit Law Group PLLC
22 315 Fifth Avenue S.
23 Suite 1000
24 Seattle, WA 98104
25 (206) 676-7000
26 pollym@summitlaw.com

21 **COMMISSION DETERMINATION**

22 17. The Commission finds on the basis of the *Stipulation and Partial Settlement Agreement*, a
23 *Joint Narrative Supporting Partial Settlement Agreement.*, and the record in this proceeding
24 that the terms of the proposed resolution provide the Commission and Waste Management
25 with an acceptable compromise to allow the recycling commodity credit to be put into effect
26 on a permanent basis during the remainder of the term of the 2010-2011 RSA Period. The

1 question of whether the Respondent is entitled to retain any of the unspent revenue yielded
2 from the sale of recycling commodities during the 2010-2011 RSA plan period, or any other
3 plan period, is not determined and remains subject to further litigation.

4 **MEMORANDUM**

5 18. Essentially, Dockets TG-101220, TG-101221, and TG-101222 involve two components:

6 (1) the recycling commodity credits for the three Waste Management tariffs that are to be in
7 effect during the 2010-2011 RSA plan period; and (2) the line-item allowing the Company to
8 earn eight percent that is included in the budget for expenditures under the Revenue Sharing
9 Agreements with King and Snohomish Counties for the 2010-2011 RSA plan period.

10 19. The recycling commodity credit is a deferred accounting mechanism by which companies
11 estimate the revenue from the sale of recyclable materials collected in residential curbside
12 programs to return recycling revenues (or charges) to customers. The commodity revenue
13 projection and a deferred true-up of the previous year's actual revenues together are equated
14 to a per-customer, per-month figure, which is then shown on a separate line item on the
15 customer's invoice. The commodity revenue adjustment may be either a credit or a charge,
16 depending on what markets did during the preceding period and how that compared to
17 estimated values used for the prior year's rates.

18 20. Revenue sharing is related to the recycling commodity credit concept. RCW 81.77.185 states
19 that the Commission "shall allow" a solid waste collection company collecting recyclable
20 materials to retain "up to fifty percent of the revenue paid" for the commodities if the
21 company submits a plan to the Commission that is certified by the appropriate local
22 jurisdiction as being consistent with the local government solid waste plan and that
23 "demonstrates how the revenues will be used to increase recycling." The statute provides
24 that the "remaining revenues shall be passed to residential customers."

25 21. Only the amount of the recycling commodity credit for the remainder of the 2010-2011 RSA
26 plan period is the subject of this Settlement Agreement.

1. **Terms of the Settlement**

2 22. The *Stipulation and Partial Settlement Agreement* is summarized here, and is attached to, and
3 incorporated herein by this reference. If any inconsistency between the summary and the
4 *Stipulation and Partial Settlement Agreement* is perceived, the express terms of the
5 *Stipulation and Partial Settlement Agreement* control.

6 23. The parties request that the Commission lift suspension and approve on a permanent basis an
7 adjustment to Waste Management's 2010-2011 recycling commodity credit that has been
8 calculated to include the full amount of unexpended revenue (\$212,168) from the 2009-2010
9 RSA period, and have it applied to the calculation of ratepayer recycling commodity credits
10 over the remaining six-months of the 2010-2011 RSA plan period, from March 1, 2011 to
11 August 31, 2011.

12 24. The parties agree and stipulate that Commission approval of the *Stipulation and Partial*
13 *Settlement Agreement* is intended to fully resolve the manner in which the unexpended
14 revenue (\$212,168) from the 2009-2010 RSA plan period is to be treated under RCW
15 81.77.185. The parties acknowledge that legal issues related to interpretation of RCW
16 81.77.185 are the subject of litigation in the American Disposal Docket and, possibly, further
17 litigation in this Waste Management docket. The parties agree that the outcome of those
18 adjudicative proceedings and any judicial review thereof shall not be a basis for seeking
19 modification to the terms of this settlement or for revising the treatment of the unexpended
20 revenue (\$212,168) from the 2009-2010 RSA plan period or for recalculating the recycling
21 commodity credits that are presented in the substitute tariff pages that are attached to the
22 *Stipulation and Partial Settlement Agreement*.

23 25. The parties request that the Commission extend authorization for Waste Management to
24 retain fifty percent of the revenue received under the 2010-2011 RSA programs on an interim
25 basis, subject to refund of the unspent revenues that may exist at the end of the 2010-2011
26 RSA plan periods of the unspent revenues that may exist at the end of the 2010-2011 RSA

1 plan periods. The budget prepared by Waste Management for the King and Snohomish
2 County 2010-2011 RSA plan periods will retain a line item for "Revenue retained by
3 Company" in an amount of eight percent of the projected revenue. The parties acknowledge
4 that a Commission decision approving that budget and allowing for that line-item
5 expenditure under the 2010-2011 RSAs has not been made. The 2010-2011 RSAs are not
6 subject to this Order.

7 26. The *Stipulation and Partial Settlement Agreement* represents a compromise of the parties'
8 positions. The parties stipulate to the settlement to avoid further expense, inconvenience,
9 uncertainty, and delay. Neither Commission Staff nor Waste Management intend the
10 resolution of the recycling commodity credit for the 2009-2010 RSA plan period to preclude
11 them from making arguments about the interpretation or implementation of RCW 81.77.185.
12 The parties do not intend the *Stipulation and Partial Settlement Agreement* to be interpreted
13 as a statement of their positions or to be construed as a waiver of any legal positions that
14 might be taken in the American Disposal Docket, in this Waste Management litigation, or in
15 any future proceedings whatsoever.

16 **Interests of the Parties and of the Public**

17 27. WAC 480-07-750(1) authorizes the Commission to approve settlements when (1) doing so is
18 lawful; (2) the settlement terms are supported by an appropriate record; and (3) the result is
19 consistent with the public interest in light of all the information available to the Commission.

20 28. After full consideration of the *Stipulation and Partial Settlement Agreement*, the *Joint*
21 *Narrative Supporting Partial Settlement Agreement*, and the record presented in these docket
22 matters, the Commission finds it appropriate to approve the proposed settlement.

23 29. The manner of calculating recycling commodity credits and implementing the deferred
24 accounting methodology is not in dispute. The methodology used by Waste Management to
25 determine the amount of the recycling commodity credit is not contrary to any law.
26

1 30. The primary disputed issues in this litigation have to do with the implementation of RCW
2 81.77.185 on the question of how to treat unspent revenue. Waste Management has agreed to
3 use the unspent revenue from the 2009-2010 RSA plan periods in the calculation of the
4 recycling commodity credit for single-family and multi-family customers in King County
5 and Snohomish County. By voluntarily agreeing to return the unspent revenue to the
6 ratepayers, the Company has made moot any legal arguments about retaining unspent
7 revenues in the context of these particular recycling commodity credits that are to be in effect
8 for the remainder of the 2010-2011 RSA plan periods. Under current law and the record
9 before the Commission in this matter, it is not illegal for the Company to voluntarily agree to
10 return the unspent revenues to the ratepayers.

11 31. The interests of the public are served by approving the proposed partial settlement. The
12 recycling commodity credit is intended to be effective for a twelve-month period, and then
13 trued-up and recalculated based on the revenue estimated for the next twelve-month period.
14 WAC 480-70-351. The *Stipulation and Partial Settlement Agreement* proposes a means for
15 having the recycling commodity credits for regulated ratepayers served by Waste
16 Management's regulated operations in King County and Snohomish County established with
17 certainty for the remainder of the effective twelve-month period. The *Stipulation and Partial*
18 *Settlement Agreement* eliminates the need for any ongoing and further revisions to the
19 recycling commodity credit for the currently-effective period. Implementation of the
20 proposed settlement lowers the rates paid by single-family and multi-family ratepayers in
21 King County and Snohomish County for the remainder of the 2010-2011 RSA plan period.

22 **CONCLUSIONS OF LAW**

23 32. Having discussed above all matters material to this decision, and having stated detailed
24 findings, conclusions, and the reasons therefore, the Commission now makes the following
25 summary conclusions of law:
26

1 33. (1) The Washington Utilities and Transportation Commission has jurisdiction over the
2 subject matter of, and the parties to, this proceeding.

3 34. (2) The settlement proposed by the parties in the *Stipulation and Partial Settlement*
4 *Agreement* is lawful, supported by the record in this proceeding, and consistent with the
5 public interest in light of all the information available to the Commission.

6 **ORDER**

7 THE COMMISSION ORDERS That:

8 35. (1) The settlement proposed by Commission Staff and Waste Management of Washington,
9 Inc., and presented in the *Stipulation and Partial Settlement Agreement* is approved and
10 adopted in full resolution of the issues presented in this proceeding related to the unspent
11 revenue retained during the 2009-2010 RSA plan period and establishing a permanent
12 recycling commodity credit for the 2010-2011 RSA plan period.

13 36. (2) Waste Management of Washington, Inc., is authorized and required to make a compliance
14 filing including revised tariff sheets that meet the requirements of this Order and bear an
15 effective date that affords Staff at least 3 business days for review.

16 37. (3) The Commission Secretary is authorized to accept by letter, with copies to all parties to
17 this proceeding, a filing that complies with the requirements of this Final Order.

18 38. (4) Waste Management of Washington, Inc., is authorized to retain fifty percent of the
19 revenue it receives from the sale of recyclable materials collected in its single family and
20 multi-family residential recycling programs on a temporary basis, subject to refund, and
21 subject to the same conditions established in Order 01, except that the December 1, 2010
22 expiration date is no longer in effect.

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39. (5) The Commission retains jurisdiction to effectuate the terms of this Order.

Dated at Olympia, Washington, and effective February _____, 2011.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

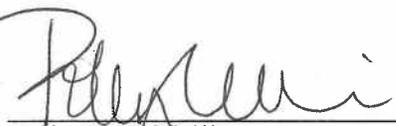
PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner

Presented by:

THE SUMMIT LAW GROUP PLLC

ASSISTANT ATTORNEY GENERAL



Polly L. McNeill
Attorneys for Respondent Waste Management
of Washington, Inc.



Fronda Woods
Attorneys for Complainant Washington
Utilities and Transportation Commission

NOTICE TO PARTIES: This is a Commission Final Order. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-07-850, or a petition for rehearing pursuant to RCW 80.04.200 and WAC 480-07-870.

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APPENDIX
SETTLEMENT STIPULATION

BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant

v.

WASTE MANAGEMENT OF
WASHINGTON, INC., d/b/a WASTE
MANAGEMENT – NORTHWEST,

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WASTE MANAGEMENT OF
WASHINGTON, INC., d/b/a WASTE
MANAGEMENT – SOUTH SOUND,
WASTE MANAGEMENT OF SEATTLE,

Respondent.
.....

DOCKET TG-101220

DOCKET TG-101221

DOCKET TG-101222

STIPULATION AND
PARTIAL SETTLEMENT AGREEMENT

1
2 **SUMMARY**

- 3 1. The parties to this proceeding hereby enter into this *Stipulation and Partial Settlement*
4 *Agreement*, pursuant to WAC 480-07-740. The *Stipulation and Partial Settlement*
5 *Agreement* sets forth the terms of the proposed resolution of one of the issues presented in the
6 above-referenced docket matters, and reflects an agreement of all parties on some issues as
7 governed by WAC 480-07-730(2), in that it is intended to obtain the Commission's approval
8 to establish the recycling commodity credit for single-family and multi-family recycling
9 customers served by Waste Management of Washington, Inc. ("Waste Management") in
10 King County and Snohomish County on a permanent basis through the remainder of the
11 current period, with an expiration date of August 31, 2011.
- 12 2. The *Stipulation and Partial Settlement Agreement* preserves for further litigation other
13 remaining matters, in accordance with WAC 480-07-730(2). Implicated is RCW 81.77.185,
14 which allows regulated solid waste collection companies collecting recyclable materials to
15 retain up to fifty percent of the revenue paid for recyclable materials if the companies submit
16 a revenue sharing plan to the Commission that is certified by the appropriate Counties as
17 being consistent with the local government solid waste plan and that demonstrates how the
18 revenues will be used to increase recycling. In this proceeding, the issue of whether the
19 statute allows Waste Management to retain any unspent revenue under future revenue sharing
20 plans is preserved for litigation, and is not resolved in this *Stipulation and Partial Settlement*
21 *Agreement*.¹
- 22 3. This *Stipulation and Partial Settlement Agreement* is also intended as supporting
23 documentation necessary to demonstrate to the Commission that the settlement proposal is
24

25 ¹ A different proceeding that presents related issues regarding the interpretation of RCW 81.77.185 is also
26 pending before the Commission. See *In re Mason County Garbage Co., Inc. d/b/a/ Mason County Garbage, G-88*,
Docket TG-101542; *In re Murrey's Disposal Co., Inc., G-9*, Docket TG-101545; *In re American Disposal Co., Inc.,*
G-87, Docket TG-101548 (consolidated) (the "American Disposal Docket").

1 consistent with law and the public interest, and is appropriate for adoption, as required under
2 WAC 480-07-740(2). It is accompanied by a *Joint Narrative Supporting Partial Settlement*
3 *Agreement*, which outlines the scope of the underlying dispute, the scope of the settlement
4 and its principal aspects; the parties' views about why the proposal satisfies both their
5 interests and the public interest; and a summary of legal points that bear on the proposed
6 settlement.

- 7 4. Because the matter being settled is of lesser comparable complexity than a general rate
8 proceeding, it has been presented twenty-one days prior to the requested effective date of
9 March 1, 2011. Should the Commission desire testimony from witnesses or oral argument
10 from counsel in accordance with WAC 480-07-740(2)(b), the parties will be prepared to
11 provide it.

12 **PROCEDURAL HISTORY**

- 13 5. On July 16, 2010, Waste Management of Washington, Inc. ("Waste Management") filed with
14 the Washington Utilities and Transportation Commission ("Commission") revisions to three
15 of the company's then-effective tariffs, requesting approval to adjust its recycling commodity
16 credits and implement a request to retain fifty percent of the revenue it estimated it would
17 receive from the sale of recyclable materials collected under its regulated recycling services
18 by three of the company's operating divisions in King County and Snohomish County, with
19 an effective date of September 1, 2010.

- 20 6. Specifically, the three following filings were submitted for three different Waste
21 Management operating divisions in the two Counties:

- 22 • In Docket TG-101220, Waste Management of Washington, Inc., d/b/a Waste
23 Management – Northwest ("WM – Northwest") filed revisions to its currently
24 effective Tariff No. 17 for operations in Snohomish County.

- 1 • In Docket TG-101221, Waste Management of Washington, Inc., d/b/a Waste
2 Management – Sno-King (“WM – Sno-King”) filed with the Commission revisions to
3 its currently effective Tariff No. 15 for operations in King County.
- 4 • In Docket TG-101222, Waste Management of Washington, Inc., d/b/a Waste
5 Management South Sound, Waste Management of Seattle (“WM – South
6 Sound/Seattle”) filed with the Commission revisions to its currently effective Tariff
7 No. 22 for operations in King County.

- 8 7. All of the filings in the above-referenced dockets proposed to increase the recycling
9 commodity credits Waste Management pays to single family and multi-family customers for
10 the value of the recyclable materials that Waste Management collects in its residential
11 recycling collection service, using a deferred accounting methodology to determine the
12 amount of the credits. *See* WAC 480-70-351.
- 13 8. In the same dockets, Waste Management contemporaneously filed a Revenue Sharing
14 Agreement (“RSA”), with both Snohomish County (for WM – Northwest) and with King
15 County (for WM – Sno-King and for WM – South Sound/Seattle) for the period of
16 September 1, 2010, to August 31, 2011 (the “2010-2011 RSAs”), intended as implementation
17 of RCW 81.77.185. The Counties each submitted letters certifying the 2010-2011 RSAs as
18 consistent with the respective Comprehensive Solid Waste Management Plans, and
19 recommended that Waste Management be allowed to retain fifty percent of the actual value
20 of recyclable commodity revenues received during the period of September 1, 2010, through
21 August 31, 2011. Waste Management also included with its filing a report of how the
22 revenues from the sale of recyclable commodities were spent during the immediately-
23 preceding plan period of July 1, 2009, to June 30, 2010 under the previously-effective RSAs
24 with the two Counties (the “2009-2010 RSAs”).
- 25 9. The matters came before the Commission at its Open Meeting on August 26, 2010. The
26 Commission inquired about the manner in which the revenue from sales of recyclable

1 materials had been budgeted and spent. The Commission issued Order 01 in Dockets TG-
2 101220, TG-101221, and TG-101222 on August 31, 2010. The Commission authorized
3 retention of fifty percent of the revenues derived from recyclable materials collected in
4 Waste Management's three single-family and multi-family residential recycling programs on
5 an interim basis, from September 1, 2010, through December 1, 2010, subject to refund.

6 10. The Commission directed Waste Management to work with King and Snohomish Counties to
7 develop a detailed budget showing the amount of revenue the company estimated to generate
8 from the sale of recyclable commodities, the amount of money it expected to retain, the
9 amount of money it planned to spend under the proposed 2010-2011 RSAs. The
10 Commission ordered Waste Management to file these materials in a petition by November 1,
11 2010. The Commission stated its intent to either lift the interim status of the revenue sharing
12 by December 1, 2010 or set some other percentage for revenue sharing as a condition of
13 allowing the proposed revenue sharing to be effective for the remainder of the period through
14 August 31, 2011.

15 11. Order 01 also stated that revenues retained by Waste Management and not spent during the
16 previous plan period under the 2009-2010 RSAs were to be carried over into the next plan
17 period; and revenues not spent during the next plan period authorized by the 2010-2011
18 RSAs were to be carried over to the following year, "unless some other treatment as may be
19 ordered by the Commission."

20 12. The Commission took no action on the three revised commodity credits, thereby allowing
21 them to go into effect September 1, 2010, by operation of law. Order 01, however, reserved
22 the Commission's intent to revisit the commodity credit amounts that were allowed to go into
23 effect by operation of law in these dockets.

24 13. On November 1, 2010, as required by Order 01, Waste Management filed a *Petition to Allow*
25 *Revenue Sharing, Lift Interim Status and Approve Revised Commodity Credits*, for an
26 effective date of December 1, 2010. With agreement and support from both King and

1 Snohomish Counties, Waste Management's *Petition* requested that the company be allowed
2 to keep eight percent of retained revenues as earnings by excluding that amount from the
3 calculation of the recycling commodity credit based on revenues derived during the 2009-
4 2010 RSA plan period, and by including a line-item for that amount in the budget for
5 expenditures during the 2010-2011 RSA plan period.

6 14. The recycling commodity credit requests filed in July had been calculated using the accepted
7 deferred accounting methodology, but assumed that all of the commodity revenue retained
8 but unspent during the 2009-2010 RSA plan period (\$212,168) was to be kept by Waste
9 Management. With the *Petition* filed on November 1, Waste Management submitted revised
10 tariff pages recalculating the recycling commodity credit based on keeping only eight percent
11 of actual retained revenue generated during the plan period of the 2009-2010 RSAs
12 (\$88,162), and incorporating the remaining unspent revenue (\$124,006) into the carry-over
13 true-up for the revised commodity credits presented.

14 15. The November *Petition* also included a proposed budget for the 2010-2011 RSA plan period
15 that included a line item allocating an eight-percent profit to Waste Management from the
16 projected fifty-percent to be retained out of the estimated revenue from recyclable
17 commodities.

18 16. Asking the Commission to act on its statement requiring carry-over of all unspent revenues
19 "unless some other treatment as may be ordered by the Commission," Waste Management's
20 *Petition* presented a request to the Commission to order an alternative treatment. The relief
21 request by the *Petition* was for: (1) lifting the interim status of the revenue sharing thereby
22 allowing the Company to retain fifty-percent of the revenue projected in and expended
23 according to the budgets presented in the King and Snohomish County 2010-2011 RSAs,
24 which included the eight-percent line-item for the company's profits; and (2) approving the
25 revised recycling commodity credits as recalculated to include unspent revenues from 2009-
26 2010 RSA plan periods except eight percent profit to the company.

1 17. Waste Management's *Petition* was on the agenda for the Open Meeting on November 24,
2 2010. Staff's Memorandum stated a concern that the proposed eight percent profit factor
3 would affect "the percent of revenue that the commission may allow the company to retain
4 for the 2010 - 2011 plan period, as well as what the commission may determine should
5 happen with the unspent 2009 - 2010 retained revenue." The Staff Memorandum concludes,
6 "A decision in these dockets regarding company profits would affect all other companies
7 participating in revenue sharing plans." Staff recommended that the Commission: (1) set the
8 company's *Petition* for hearing, (2) extend the authorization for Waste Management to retain
9 fifty percent of the revenue received under the 2010-2011 RSA programs on an interim basis,
10 subject to refund, and (3) issue a complaint and order suspending the tariff revisions filed on
11 November 1, 2010.

12 18. At the Open Meeting, Waste Management articulated an alternative request for relief. The
13 company suggested that the Commission separate its actions regarding the recycling
14 commodity credit based on revenues generated during the 2009-2010 RSA plan periods,
15 from actions regarding the revenue sharing requests and budgets submitted under the 2010-
16 2011 RSAs. Waste Management orally offered to submit revised tariff pages for its three
17 divisions, this time calculated to utilize all of the unspent revenues from the 2009-2010 RSA
18 plan periods.

19 19. The company did not offer to revise the revenue projections or expense estimates for the
20 2010-2011 RSA budget. Legal questions of how to interpret and apply RCW 81.77.185 were
21 expressly the focus of the American Disposal Docket, and therefore Waste Management
22 wished to defer a decision on its proposal to budget for keeping eight-percent of the retained
23 revenues in the future 2010-2011 RSA plan period until after a decision in the American
24 Disposal Docket proceeding, which would provide guidance on the threshold question of
25 whether or not company participants could keep any of the retained revenue. Depending on
26

1 the outcome in the American Disposal Dockets, the question of whether Waste
2 Management's proposal to retain eight percent was reasonable or not was not yet ripe.

3 20. Waste Management's *Petition* and the company's alternative request for relief were
4 discussed at the November 24 Open Meeting. Staff indicated support for the company's
5 proposal to refund all unspent revenue from the 2009-2010 RSA plan period by including it
6 in the recycling commodity credit true-up. The treatment of the 2010-2011 RSA budget and
7 plan, however, were not susceptible to resolution at the Open Meeting forum. Chairman
8 Goltz expressed an understanding that the company and Staff could "come up with a
9 stipulation" that would resolve the "third element" of the filing that was directly focused on
10 the company's proposal to set the recycling commodity credit so that all of the unspent
11 money from 2009-2010 was refunded to the ratepayers. Thus, the Commission issued Order
12 02, and thereby suspended the operation of the tariff revisions in Dockets TG-101220, TG-
13 101221, and TG-101222, pending hearing or hearings concerning all proposed changes, and
14 sent the matter to the Administrative Law Division of the Commission.

15 21. On December 1, 2010, the Commission issued Order 03, consolidating the three Waste
16 Management dockets and setting them for prehearing conference on December 20, 2010.

17 22. Also on December 1, 2010, the Commission issued Order 02 in the American Disposal
18 Dockets, consolidating those matters and setting them for prehearing conference on the same
19 date as the Waste Management dockets.

20 23. The parties to this Waste Management proceeding and the parties in the American Disposal
21 Docket convened before Administrative Law Judge Kopta on December 20, 2010. At that
22 time, Waste Management was granted intervenor status in the American Disposal Docket.
23 Dockets TG-101542/101545/101548 Order 03 ¶ 4 (granting intervention status to Waste
24 Management in the American Disposal Docket). Because the statutory issues presented in
25 this Waste Management docket may depend on the outcome of the American Disposal
26 Docket, the procedural schedule in this case is "on hold" pending entry of an initial order in

1 that matter. Order 04 ¶ 8 (deferring further administrative action on the Waste Management
2 dockets).

3 24. However, in accordance with the discussions at the November 24 Open Meeting, Waste
4 Management and Staff have worked together to negotiate resolution of some or all of the
5 issues. This *Stipulation and Partial Settlement Agreement* is the result of those negotiations.

6 **PARTY REPRESENTATIVES**

7 25. Complainant's name and address are as follows:

8 Washington Utilities and Transportation Commission
9 1300 S. Evergreen Park Drive S.W.
10 P.O. Box 47250
11 Olympia, WA 98504-7250
12 (360) 664-1160

13 26. Complainant's attorney's name and address are as follows:

14 Fronda Woods
15 Assistant Attorney General
16 1400 S. Evergreen Park Drive S.W.
17 P.O. Box 40128 Olympia, WA 98504-0128
18 (360) 664- 1225
19 fwoods@utc.wa.gov

20 27. Respondent's name and address are as follows:

21 Waste Management of Washington, Inc.
22 13225 N.E. 126th Place
23 Kirkland, WA 98034

24 28. Respondent's attorney's name and address are as follows:

25 Polly L. McNeill
26 Summit Law Group PLLC
315 Fifth Avenue S.
Suite 1000
Seattle, WA 98104
(206) 676-7000
pollym@summitlaw.com

1 **PARTIAL SETTLEMENT AGREEMENT**

2 29. In essence, Dockets TG-101220, TG-101221, and TG-101222 involve two components: (1)
3 recycling commodity credits; and (2) Revenue Sharing Agreements. Only the amount of the
4 recycling commodity credit for the remainder of the 2010-2011 RSA plan period is the
5 subject of this *Partial Settlement Agreement*.

6 30. The parties agree to request that the Commission lift suspension ordered by the Commission
7 on November 24, 2010 in each of these consolidated dockets; and approve on a permanent
8 basis an adjustment to Waste Management’s 2010-2011 recycling commodity credit that has
9 been calculated to include the full amount of unexpended revenue (\$212,168) from the 2009-
10 2010 RSA period, calculated for ratepayer credits over the remaining six-months of the 2010-
11 2011 RSA plan period, from March 1, 2011 to August 31, 2011. Attached hereto and
12 incorporated herein are the following revised substitute tariff page and 2009-2010 Revenue
13 Report intended to implement this *Partial Settlement Agreement*:

- 14 • Docket TG-101220, Waste Management of Washington, Inc., d/b/a Waste
15 Management – Northwest (“WM – Northwest”): revisions to Tariff No. 17 for
16 operations in Snohomish County (Attachment A).
- 17 • Docket TG-101221, Waste Management of Washington, Inc., d/b/a Waste
18 Management – Sno-King (“WM – Sno-King”): revisions to Tariff No. 15 for
19 operations in King County (Attachment B).
- 20 • Docket TG-101222, Waste Management of Washington, Inc., d/b/a Waste
21 Management South Sound, Waste Management of Seattle (“WM – South
22 Sound/Seattle”): revisions to Tariff No. 22 (Attachment C).
- 23 • Dockets TG-101220, TG-101221 and TG-101222, Waste Management Revenue
24 Sharing Report 2009-2010 (revised 02/02/2011) (Attachment D).

25 31. The parties agree and stipulate that Commission approval of this *Partial Settlement*
26 *Agreement* is intended to fully resolve the manner in which the unexpended revenue

1 (\$212,168) from the 2009-2010 RSA plan period is to be treated under RCW 81.77.185. The
2 parties acknowledge that legal issues related to interpretation of RCW 81.77.185 are the
3 subject of litigation in the American Disposal Docket and, possibly, further litigation in this
4 Waste Management docket. The parties agree that the outcome of those adjudicative
5 proceedings and any judicial review thereof shall not be a basis for seeking modification to
6 the terms of this settlement or for revising the treatment of the unexpended revenue
7 (\$212,168) from the 2009-2010 RSA plan period or for recalculating the recycling
8 commodity credits that are presented in the attached substitute tariff pages.

9 32. The parties agree to request that the Commission extend authorization for Waste
10 Management to retain fifty percent of the revenue received under the 2010-2011 RSA
11 programs on an interim basis, subject to refund. The budget prepared by Waste Management
12 for the King and Snohomish County 2010-2011 RSA plan periods will retain a line item for
13 "Revenue retained by Company" in an amount of eight percent of the projected revenue. The
14 parties acknowledge that a Commission decision approving that budget and the 2010-2011
15 RSAs has not been made. The 2010-2011 RSAs are not subject to this *Stipulation and*
16 *Partial Settlement Agreement*. In accordance with Order 04, the Commission will establish a
17 procedural schedule for addressing the 2010-2011 RSAs and budget following entry of the
18 initial order in the American Disposal Docket.

19 33. This *Stipulation and Partial Settlement Agreement* represents a compromise of the parties'
20 positions. The parties agree and stipulate to this *Stipulation and Partial Settlement*
21 *Agreement* to avoid further expense, inconvenience, uncertainty, and delay. Neither
22 Commission Staff nor Waste Management intend the resolution of the recycling commodity
23 credit for the 2009-2010 RSA plan period to preclude either party from making arguments
24 about the interpretation or implementation of RCW 81.77.185. The parties do not intend the
25 *Stipulation and Partial Settlement Agreement* to be interpreted as a statement of their
26 positions or to be construed as a waiver of any legal positions that might be taken in the

1 American Disposal Docket, in this Waste Management litigation, or in any future
2 proceedings whatsoever.

3 34. The parties agree that conduct, statements, and documents disclosed during negotiations of
4 the settlement presented in this *Stipulation and Partial Settlement Agreement* shall not be
5 admissible as evidence in this or any other proceeding, except in any proceeding to enforce
6 the terms of the settlement contained in this *Stipulation and Partial Settlement Agreement*, or
7 any other order of the Commission adopting the terms herein. The terms of this *Stipulation*
8 *and Partial Settlement Agreement* shall not be construed against either party because it was
9 the drafter.

10 35. The parties agree that this *Stipulation and Partial Settlement Agreement* is not binding unless
11 and until entered by the Commission. If the Commission does not accept this *Stipulation and*
12 *Partial Settlement Agreement*, the parties agree that neither this *Stipulation and Partial*
13 *Settlement Agreement* nor any statement or admissions contained herein will be admissible or
14 used for any purpose in this docket or in any other proceeding for any purpose, including but
15 not limited to the American Disposal Docket.

16 36. The parties agree to support adoption of this *Stipulation and Partial Settlement Agreement* in
17 proceedings before the Commission. Neither Staff nor Waste Management, nor either of its
18 legal counsel, will engage in advocacy contrary to the Commission's adoption of this
19 *Stipulation and Partial Settlement Agreement*.

20 37. This *Stipulation and Partial Settlement Agreement* supersedes all prior written and oral
21 agreements on issues addressed herein. The parties agree to take all actions necessary as
22 appropriate to carry out this *Stipulation and Partial Settlement Agreement*.

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**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

**WASTE MANAGEMENT OF
WASHINGTON, INC.**

ROBERT M. MCKENNA
Attorney General



FRONDA WOODS
Assistant Attorney General
Counsel for the Washington Utilities and
Transportation Commission



POLLY L. McNEILL
Counsel for Respondent Waste Management
of Washington, Inc.

Dated: February 7, 2011

Dated: February 7, 2011

ATTACHMENT A

Company Name/Permit Number: Waste Management of Washington, Inc./G-237
 Registered Trade Name: Waste Management – Northwest

CHECK SHEET

All pages contained in this tariff are listed below in consecutive order. The pages in the tariff and/or any supplements to the tariff listed on this page have issue dates that are the same as, or are before, the issue date of this page. "O" in the revision column indicates an original page.

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14	O	34	O		
15	O	35	O		
16	O	36	O		
17	O	37	O		
18	O	38	O		
19	O	39	O		
20	O	40	O		

Supplements in Effect

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

Issue date: February 3, 2011

Effective date: March 1, 2011

(For Official Use Only)

Docket No. TG- _____ Date: _____ By: _____

Item 100 – Residential Service -- Monthly Rates (continued on next page)**Rates in this item apply:**

- (1) To solid waste collection, curbside recycling (where noted) and yardwaste collection services (where noted) for residential property. This includes single family dwellings, duplexes, apartments, mobile homes, condominiums, etc., where service is billed directly to the occupant of each residential unit; and/or
- (2) When required by a local government service level ordinance solid waste collection, curbside recycling, and yardwaste service must be provided for single-family dwellings, duplexes, mobile homes, condominiums and apartment buildings of less than 5 residential units, where service is billed to the property owner or manager.

Rates below apply in the following service area: **Rural Snohomish County** (where yard waste collection service **is not** required by County Ordinance) as contained on Appendix A, B and C.

Number of Units or Type of Container	Frequency of Service	Garbage Service Rate	Recycle Service Rate	Yardwaste Service Rate
Mini-Can	WG	\$7.70	\$8.65	n/a
1 Can	MG	\$5.55	\$8.65	n/a
1 Can	WG	\$13.75	\$8.65	n/a
2 Cans	WG	\$22.50	\$8.65	n/a
3 Cans	WG	\$30.85	\$8.65	n/a
4 Cans	WG	\$39.20	\$8.65	n/a
5 Cans	WG	\$47.55	\$8.65	n/a
6 Cans	WG	\$55.90	\$8.65	n/a
1 20 gallon cart	WG	\$9.45	\$8.65	n/a
1 35 gallon cart	WG	\$14.80	\$8.65	n/a
1 35 gallon cart	MG	\$6.80	\$8.65	n/a
1 64 gallon cart	WG	\$23.55	\$8.65	n/a
1 96 gallon cart	WG	\$31.90	\$8.65	n/a

Frequency of Service Codes: WG=Weekly Garbage; EOWG=Every Other Week Garbage; MG=Monthly Garbage; WR=Weekly Recycling; EOWR=Every Other Week Recycling; MR=Monthly Recycling

Description/rules related to recycling program are shown on page 24

Description/rules related to yardwaste program are shown on page n/a

Note 1: Recycling rates shown above are subject to a recycling <credit>/debit of <\$1.31>(R) per month.

Notes for this item are on page 23

Recycling commodity <credit> (rebate)/debit (charge) on this page expire: August 31, 2011

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

Issue date: February 3, 2011

Effective date: March 1, 2011

(For Official Use Only)

Docket No. TG- _____ Date: _____ By: _____

Item 100 – Residential Service -- Monthly Rates (continued on next page)

Rates in this item apply:

- (1) To solid waste collection, curbside recycling (where noted) and yardwaste collection services (where noted) for residential property. This includes single family dwellings, duplexes, apartments, mobile homes, condominiums, etc., where service is billed directly to the occupant of each residential unit; and/or
- (2) When required by a local government service level ordinance solid waste collection, curbside recycling, and yardwaste service must be provided for single-family dwellings, duplexes, mobile homes, condominiums and apartment buildings of less than **5** residential units, where service is billed to the property owner or manager.

Rates below apply in the following service area: **The “Urban/Suburban Service Zone” per the Snohomish County Comprehensive Solid Waste Management Plan and the “Yard Waste Service Zone” per Chapter 7.42 of the Snohomish County Code** and as contained in Appendices A, B and C.

Number of Units or Type of Container	Frequency of Service	Garbage Service Rate	Recycle Service Rate	Yardwaste Service Rate (Note 4)
Mini-Can	WGWR	\$7.70	\$8.65	\$9.55
1 Can	MGWR	\$5.55	\$8.65	\$9.55
1 Can	WGWR	\$13.75	\$8.65	\$9.55
2 Cans	WGWR	\$22.50	\$8.65	\$9.55
3 Cans	WGWR	\$30.85	\$8.65	\$9.55
4 Cans	WGWR	\$39.20	\$8.65	\$9.55
5 Cans	WGWR	\$47.55	\$8.65	\$9.55
6 Cans	WGWR	\$55.90	\$8.65	\$9.55
1 20 gallon Cart	WGWR	\$9.45	\$8.65	\$9.55
1 35 gallon Cart	WGWR	\$14.80	\$8.65	\$9.55
1 35 gallon Cart	MGWR	\$6.80	\$8.65	\$9.55
1 64 gallon Cart	WGWR	\$23.55	\$8.65	\$9.55
1 96 gallon Cart	WGWR	\$31.90	\$8.65	\$9.55

Frequency of Service Codes: WG=Weekly Garbage; EOWG=Every Other Week Garbage; MG=Monthly Garbage; WR=Weekly Recycling; EOWR=Every Other Week Recycling; MR=Monthly Recycling
List others used:

Description/rules related to the recycling program are shown on page **24**

Description/rules related to the yardwaste program are shown on page **24**

Recycling rates shown above are subject to a recycling <credit>/debit of **<\$1.31>(R)** per month in all areas except the City of Everett where recycling <credit>/debit of **<\$2.23>** will apply.

Notes for this item are on page **23**

Recycling commodity <credit> (rebate)/debit (charge) on this page expire: August 31, 2011

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

Issue date: February 3, 2011

Effective date: March 1, 2011

(For Official Use Only)

Docket No. TG- _____ Date: _____ By: _____

ATTACHMENT B

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13	O	33	O		
14	O	34	1st		
15	O	35	O		
16	O	36	O		
17	O	37	1st		
18	O	38	1st		
19	O	39	1st		
20	O	40	1st		

Supplements in effect:

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

Issue date: February 3, 2011

Effective date: March 1, 2011

(For Official Use Only)

Docket No. TG- _____ Date: _____ By: _____

Company Name/Permit Number: Waste Management of Washington, Inc./G-237
 Registered Trade Name: Waste Management – Sno-King

Item 100 – Residential Service -- Monthly Rates (Continued on next page)

Rates in this item apply:

- (1) To solid waste collection, curbside recycling and yardwaste collection services for residential property. This includes single family dwellings, duplexes, apartments, mobile homes, condominiums, etc., where service is billed directly to the occupant of each residential unit; and/or
- (2) When required by a local government service level ordinance solid waste collection, curbside recycling, and yardwaste service must be provided for single-family dwellings, duplexes, mobile homes, condominiums and apartment buildings of less than 5 residential units, where service is billed to the property owner or manager.
- (3) In the following service area: The service area required by King County Code Title10, contained in G-237 as described in Appendix A.

Number of Units or Type of Container	Frequency of Service (Note 4)	Garbage Service Rate	Recycle Service Rate	35 Gallon Yardwaste Service Rate	64 Gallon Yardwaste Service Rate	96 Gallon Yardwaste Service Rate
Mini-Can(20 gallon)	WG/WR	\$10.03	\$8.33	\$6.72	\$7.62	\$8.23
1 Can	MG/WR	\$6.82	\$8.33	\$6.72	\$7.62	\$8.23
1 Can	WG	\$11.84	\$8.33	\$6.72	\$7.62	\$8.23
2 Cans	WG	\$18.66	\$8.33	\$6.72	\$7.62	\$8.23
3 Cans	WG	\$25.58	\$8.33	\$6.72	\$7.62	\$8.23
4 Cans	WG	\$32.50	\$8.33	\$6.72	\$7.62	\$8.23
5 Cans	WG	\$39.42	\$8.33	\$6.72	\$7.62	\$8.23
1 20 gallon cart	WG	\$11.33	\$8.33	\$6.72	\$7.62	\$8.23
1 35 gallon cart	WG	\$13.04	\$8.33	\$6.72	\$7.62	\$8.23
1 64 gallon cart	WG	\$19.96	\$8.33	\$6.72	\$7.62	\$8.23
1 96 gallon cart	WG	\$26.88	\$8.33	\$6.72	\$7.62	\$8.23

Frequency of Service Codes: WG=Weekly Garbage; EOWG=Every Other Week Garbage; MG=Monthly Garbage;

Recycling rates shown above are subject to a recycling <credit>/debit of **<u>\$1.70</u>(R)** per month for customers in the service areas described in Appendices A and B.

Notes for this item are on page **23**.

Description/rules related to recycling program are shown on page **24**.

Description/rules related to yardwaste program are shown on page **24**.

Recycling commodity <credit> (rebate)/debit (charge) on this page expire: August 31, 2011

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

Issue date: February 3, 2011

Effective date: March 1, 2011

(For Official Use Only)

Docket No. TG- _____ Date: _____ By: _____

ATTACHMENT C

Company Name/Permit Number: Waste Management of Washington, Inc./G-237
 Registered Trade Name: Waste Management – South Sound and Waste Management of Seattle

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All pages contained in this tariff are listed below in consecutive order. The pages in the tariff and/or any supplements to the tariff listed on this page have issue dates that are the same as, or are before, the issue date of this page. "O" in the revision column indicates an original page.

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9	O	28	O		
10	O	29	O		
11	O	30	O		
12	O	31	O		
13	O	32	O		
14	O	33	O		
15	O	34	O		
16	O	35	O		
17	O	36	O		
18	O	37	O		
19	O	38	O		

Supplements in effect:

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

Issue date: February 3, 2011

Effective date: March 1, 2011

(For Official Use Only)

Docket No. TG- _____ Date: _____ By: _____

Company Name/Permit Number: Waste Management of Washington, Inc./G-237
 Registered Trade Name: Waste Management – South Sound and Waste Management of Seattle

Item 100 – Residential Service -- Monthly Rates (Continued on next page)

Rates in this item apply:

- (1) To solid waste collection, curbside recycling and yardwaste collection services for residential property. This includes single family dwellings, duplexes, apartments, mobile homes, condominiums, etc., where service is billed directly to the occupant of each residential unit; and/or
- (2) When required by a local government service level ordinance solid waste collection, curbside recycling, and yardwaste service must be provided for single-family dwellings, duplexes, mobile homes, condominiums and apartment buildings of less than 5 residential units, where service is billed to the property owner or manager.
- (3) In the following service area: King County as described in Appendix A

Number of Units or Type of Container	Frequency of Service (C)	Garbage Service Rate	Recycle Service Rate	35 Gallon Yardwaste Service Rate	64 Gallon Yardwaste Service Rate	96 Gallon Yardwaste Service Rate
Mini-Can(20 gal.)	MG/EOWR/WY	\$6.20	\$9.70	\$9.60	\$10.60	\$11.70
1 Can	MG/EOWR/WY	\$6.80	\$9.70	\$9.60	\$10.60	\$11.70
Micro-Can(10 gal)	WG/EOWR/WY	\$7.60	\$9.70	\$9.60	\$10.60	\$11.70
Mini-Can(20 gal.)	WG/EOWR/WY	\$8.50	\$9.70	\$9.60	\$10.60	\$11.70
1 Can	WG/EOWR/WY	\$14.20	\$9.70	\$9.60	\$10.60	\$11.70
2 Cans	WG/EOWR/WY	\$21.70	\$9.70	\$9.60	\$10.60	\$11.70
3 Cans	WG/EOWR/WY	\$29.20	\$9.70	\$9.60	\$10.60	\$11.70
4 Cans	WG/EOWR/WY	\$36.70	\$9.70	\$9.60	\$10.60	\$11.70
5 Cans	WG/EOWR/WY	\$44.20	\$9.70	\$9.60	\$10.60	\$11.70
1 20 gallon cart	WG/EOWR/WY	\$10.10	\$9.70	\$9.60	\$10.60	\$11.70
1 35 gallon cart	WG/EOWR/WY	\$15.60	\$9.70	\$9.60	\$10.60	\$11.70
1 64 gallon cart	WG/EOWR/WY	\$23.00	\$9.70	\$9.60	\$10.60	\$11.70
1 96 gallon cart	WG/EOWR/WY	\$31.60	\$9.70	\$9.60	\$10.60	\$11.70

Frequency of Service Codes: WG=Weekly Garbage; EOWG=Every Other Week Garbage; MG=Monthly Garbage; EOWR=Every Other Week Recycling; WY=Weekly Yard Waste

Recycling rates shown above are subject to a recycling <credit>/debit of **<u>\$1.51</u> (R)** per month for customers in the service areas described in Appendix A.

Notes for this item are on page **22**.

Description/rules related to recycling program are shown on page **23**.

Description/rules related to yardwaste program are shown on page **23**.

Recycling <credit>/debit adjustments above on this page expire: **August 31, 2011**

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

Issue date: February 3, 2011

Effective date: March 1, 2011

(For Official Use Only)

Docket No. TG- _____ Date: _____ By: _____

ATTACHMENT D



Revenue Sharing Report - (2009-2010)

(revised 2/02/11)

	<u>Snohomish County</u>		<u>King County</u>		<u>Total</u>
	<u>WM</u>	<u>WM</u>	<u>WM</u>	<u>Total</u>	
	<u>Northwest</u>	<u>Sno-King</u>	<u>Seattle/SS</u>	<u>King Co.</u>	
2008-2009 Recycling Tonnages:					
Single Family	28,641	8,060	8,385	16,445	45,086
Multi-Family	1,938	199	448	647	2,585
	<u>30,579</u>	<u>8,259</u>	<u>8,833</u>	<u>17,091</u>	<u>47,671</u>
lbs./customer/mo.	<u>57.54</u>	<u>65.41</u>	<u>60.45</u>	-	-
2009-2010 Recycling Tonnages:					
Single Family	30,257	8,645	6,825	15,469	45,727
Multi-Family	1,849	219	469	688	2,537
	<u>32,106</u>	<u>8,864</u>	<u>7,294</u>	<u>16,158</u>	<u>48,264</u>
lbs./customer/mo.	<u>61.91</u>	<u>69.72</u>	<u>61.14</u>	-	-
Year over Year change - tonnage	<u>5.0%</u>	<u>7.3%</u>	<u>-17.4%</u>	<u>-5.5%</u>	<u>1.2%</u>
Year over Year change - lbs./customer	<u>7.6%</u>	<u>6.6%</u>	<u>1.1%</u>		

Revenue:

Total Commodity Revenue Received	<u>\$ 2,468,854</u>	<u>\$ 689,949</u>	<u>\$ 561,536</u>	<u>\$ 1,251,485</u>	<u>\$ 3,720,339</u>
Average revenue per ton	<u>\$ 80.74</u>	<u>\$ 83.54</u>	<u>\$ 63.57</u>	<u>\$ 73.22</u>	<u>\$ 78.04</u>
30% revenue Share Retained:					
Residential	\$ 679,300	\$ 201,962	\$ 157,410	\$ 359,372	\$ 1,038,671
Multi-family	\$ 47,285	\$ 5,023	\$ 11,051	\$ 16,074	\$ 63,358
Total amount retained through revenue sharing	<u>\$ 726,585</u>	<u>\$ 206,985</u>	<u>\$ 168,461</u>	<u>\$ 375,446</u>	<u>\$ 1,102,029</u>

Program Costs in 2009-2010:

Mailings for rerouting with information about recycling and yard waste programs	\$ 79,000				\$ 79,000
Self Haul outreach post card	\$ 35,000	\$ 2,743	\$ 2,257	\$ 5,000	\$ 40,000
Yard Waste mailers	\$ 50,000	\$ 13,715	\$ 11,285	\$ 25,000	\$ 75,000
Public events	\$ 10,000	\$ 5,486	\$ 4,514	\$ 10,000	\$ 20,000
Multi-family recycling guides	\$ 10,000	\$ 5,486	\$ 4,514	\$ 10,000	\$ 20,000
Annual Collection Calendar	\$ 4,000	\$ 8,229	\$ 6,771	\$ 15,000	\$ 19,000
Reporter Advertising regarding recycling programs	\$ 5,000	\$ 8,229	\$ 6,771	\$ 15,000	\$ 20,000
CRC quality control (screens, sorting tables)	\$ 66,522	\$ 18,366	\$ 15,112	\$ 33,478	\$ 100,000
Reporting	\$ 39,913	\$ 11,020	\$ 9,067	\$ 20,087	\$ 60,000
Data sorts (Cascadia)	\$ 33,261	\$ 9,183	\$ 7,556	\$ 16,739	\$ 50,000
Harmonizing materials	\$ 13,304	\$ 3,673	\$ 3,022	\$ 6,695	\$ 19,999
Decals for CFL's	\$ 9,978	\$ 2,755	\$ 2,267	\$ 5,022	\$ 15,000
Translation assistance at Call Center	\$ 79,826	\$ 22,039	\$ 18,134	\$ 40,173	\$ 119,999
Website updating	\$ 42,907	\$ 11,846	\$ 9,747	\$ 21,593	\$ 64,500
Staff Time for public education and outreach	\$ 99,783	\$ 27,549	\$ 22,668	\$ 50,217	\$ 150,000
Value of selling Newspaper at higher commodity price	\$ 22,746	\$ 8,196	\$ 6,419	\$ 14,615	\$ 37,361
Total Program Costs	<u>\$ 601,240</u>	<u>\$ 158,515</u>	<u>\$ 130,104</u>	<u>\$ 288,619</u>	<u>\$ 889,859</u>

Amount of commodity revenue retained that is unspent	<u>\$ 125,345</u>	<u>\$ 48,470</u>	<u>\$ 38,357</u>	<u>\$ 86,827</u>	<u>\$ 212,170</u>
Current # of Customers	<u>80,763</u>	<u>20,779</u>	<u>16,564</u>	<u>37,343</u>	<u>118,106</u>
Add'l Customer rebate - March 1, 2011 - August, 2011 (6 months)	<u>\$ 0.26</u>	<u>\$ 0.39</u>	<u>\$ 0.39</u>	<u>\$ 0.39</u>	<u>\$ 0.30</u>
Current Rebate approved in docket's TG-101220, TG-101221 & TG-101222	<u>\$ 1.05</u>	<u>\$ 1.31</u>	<u>\$ 1.12</u>	<u>\$ 1.23</u>	<u>\$ 1.11</u>
Revised Residential Commodity Rebate	<u>\$ 1.31</u>	<u>\$ 1.70</u>	<u>\$ 1.51</u>	<u>\$ 1.62</u>	<u>\$ 1.41</u>

(average)