

1
2
3
4
5
6
7
8

BEFORE THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION

In the Matter of:

Waste Management of Washington, Inc. d/b/a
WM – Healthcare Solutions of Washington

CASE NO.

PETITION FOR RULE EXEMPTION

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

I. INTRODUCTION

1. COMES NOW Waste Management of Washington, Inc. (“WMW”) holder of Certificate of Public Convenience and Necessity No. G-237, by and through its attorney, Polly L. McNeill of Summit Law Group PLLC, and in accordance with WAC 480-07-370(3)(b) files this *Petition for Rule Exemption* (“Petition”) respectfully requesting the Commission’s approval to submit Work Papers that vary from a strict interpretation of the filing requirements under WAC 480-07-520(4).¹
2. The Petition requests permission to file Work Papers that comport with the exemptions granted in WMW’s last several general rate increase filings since 2010.
3. Contemporaneously with this Petition, WMW is today filing a general rate request for Waste Management of Washington, Inc. d/b/a WM – Healthcare Solutions of Washington (“WM – Healthcare”). For its tariff request, WMW respectfully requests an exemption under WAC 480-07-110 to the extent the general rate filing rule stated in WAC 480-07-520(4) would require the company to submit into the public record certain proprietary and confidential business records unrelated to the substantive audit of the tariff filing itself. For the same reasons supporting the Commission’s determinations to grant exemptions in the Company’s prior general rate cases, approving this Petition would be consistent with the public interest, the purposes underlying the tariff filing regulation, and Ch. 81.77 RCW.

¹ WAC 480-07-520 sets forth the minimum requirements for filing a general rate increase request by solid waste collection companies. Subsection (4) discusses the information and documents to be included in Work Papers.

II. PARTIES

1 4. Petitioner's name and address are as follows:

2 Waste Management of Washington, Inc.
3 720 Fourth Avenue, Suite 400
4 Kirkland, WA 98033-8136

5 5. Petitioner's attorney's name and address are as follows:

6 Polly L. McNeill
7 Summit Law Group PLLC
8 315 Fifth Avenue S., Suite 1000
9 Seattle, WA 98104

III. GROUNDS FOR RELIEF

10 6. WMW is the corporate subsidiary of Waste Management, Inc. that operates in Washington-
11 state. WMW is the holder of Certificate of Public Convenience and Necessity No. G-237,
12 but in many geographic areas of the State the company has eleven different business units
13 providing solid waste collection services, including a business division that provides
14 biomedical waste collection throughout the State. The business units currently perform
15 regulated solid waste collection under nine different WUTC tariffs, one for each of the
16 geographically-specific collection entities, and one for biomedical waste collection by WM –
17 Healthcare. Disposal fees, labor rates, fuel prices, and other costs differ in each of the
18 geographic territories and operational units. In addition, WMW owns three landfills, six
19 transfer stations and multiple recycling centers. It operates a biomedical waste facility for
20 autoclaving and otherwise pretreating biomedical waste.

21 7. In submitting its general rate request, for certain elements of WAC 480-07-520(4), WMW
22 has limited some of the financial data included in its Work Papers to the business entity
23 providing services under the tariff that WMW is seeking to amend, and has not provided the
24 analysis for WMW as a whole. This general rate filing for WM – Healthcare includes
25 financial information that is the same in scope as the Work Papers approved by the
26 Commission's previous practice. Thus, the Work Papers address the separate requirements
of WAC 480-07-520(4) as follows:

- 1 8. WAC 480-07-520(4)(a) (*detailed pro forma income statement*) – The required income
2 statement is limited to WM – Healthcare, the business unit providing services under the tariff
3 that WMW is seeking to amend.
- 4 9. WAC 480-07-520(4)(b) (*revenue impact calculation for proposed tariff revisions*) – The
5 revenue impact calculation is limited to services provided by WM – Healthcare, the business
6 unit providing services under the tariff that WMW is seeking to amend.
- 7 10. WAC 480-07-520(4)(c) (*income statement listing all revenue and expense accounts by*
8 *month*) – The required income statement is limited to WM – Healthcare, the business unit
9 providing services under the tariff that WMW is seeking to amend.
- 10 11. WAC 480-07-520(4)(d) (*detailed separation of all revenue and expenses between*
11 *regulated/nonregulated operations if nonregulated revenue exceeds ten percent of total*
12 *company test period revenue*) – The income statement only reflects regulated operations.
13 Approximately five percent of the revenue is from non-regulated operations, and because it is
14 below the regulatory threshold a detailed separation is not required.
- 15 12. WAC 480-07-520(4)(e) (*detailed list of all nonregulated operations, including the rates*
16 *charged for the services rendered*) – This work paper requirement is not applicable to the
17 filing, since WM – Healthcare does not have unregulated operations.
- 18 13. WAC 480-07-520(4)(f) (*detailed price-out information*) – The revenue reported is limited to
19 services provided by WM – Healthcare, the business unit providing services under the tariff
20 that WMW is seeking to amend.
- 21 14. WAC 480-07-520(4)(g) (*consolidated balance sheet*) – A consolidated balance sheet for WM
22 – Healthcare is unnecessary and immaterial to its Washington operations.
- 23 15. WAC 480-07-520(4)(h) (*detailed depreciation schedule*) – The assets for which a
24 depreciation schedule is provided are limited to those utilized by WM – Healthcare, the
25 business unit providing services under the tariff that WMW is seeking to amend.
26

1 16. WAC 480-07-520(4)(i) (*computed average investment*) – The assets for which the average
2 investment is computed are limited to those utilized by WM – Healthcare, the business unit
3 providing services under the tariff that WMW is seeking to amend.

4 17. WAC 480-07-520(4)(j) (*information about every transaction with affiliated interests or*
5 *subsidiaries*) – Affiliated interest transactions under this requirement are limited to those
6 between WM – Healthcare, the business unit providing service under the tariff that WMW is
7 seeking to amend, on the one hand, and Waste Management, Inc., on the other, for
8 administrative overhead services performed by the area and corporate offices. The filing
9 includes an income statement and balance sheet for Waste Management, Inc. No exemption
10 is needed for this requirement.

11 IV. PETITION FOR EXEMPTION

12 18. WAC 480-07-110 provides that the Commission may grant an exemption from or modify the
13 application of its rules in individual cases if consistent with the public interest and the
14 purposes of the underlying regulation:

15 The commission uses the public interest standard to determine
16 whether to grant an exemption from, or modification to, a
17 commission rule. Factors the commission may consider in making
18 this determination include whether the rule imposes an undue
19 hardship on the requesting person of a degree or a kind different
20 from hardships imposed on other similarly situated persons, and
21 whether the effect of applying the rule to the requesting person
22 would be contrary to the underlying purposes of the rule and the
23 public interest.

24 19. In the previous cases (under the regulation as similarly phrased in prior versions), the
25 Commission concluded that granting an exemption was in the public interest and met the
26 standards for consideration of a rule exemption under WAC 480-07-110(c) – and the same
policy applies in this filing.

20. As the Commission observed in prior orders granting petitions for exemption, Waste
Management’s corporate structure is unusual with respect to having so many organizationally
distinct regulated and nonregulated lines of business within one corporation. The burdens

1 imposed on WMW by the general rate filing requirements of WAC 480-07-520(4) are
2 different in degree and kind than those imposed on many other solid waste collection
3 companies.

4 21. The purpose of WAC 480-07-520(4) is to ensure that all information necessary to determine
5 whether existing or proposed rates are fair, just, reasonable and sufficient is available to the
6 Commission by requiring solid waste collection companies seeking to increase their rates to
7 file Work Papers that account for a variety of data supporting the request, including
8 information about commercial relationships with affiliated enterprises. The limited Work
9 Papers filed for the consolidated tariff increase satisfies the purpose of the rule. Because the
10 data for which this exemption is sought is not relevant to the tariff filing presented and
11 because some of that analysis is valuable and proprietary commercial information, granting
12 this Petition is not inconsistent with the underlying purposes of the general rate filing rule
13 stated in WAC 480-07-520(4).

14 22. In addition, to prepare some components of the Work Paper requirements for WMW as a
15 whole would impose a significant hardship on the company because each business entity has
16 its own general ledger, and the analysis would require manually consolidating data into one
17 master ledger, a time-consuming and unproductive process without any commensurate
18 benefit to the ratepayers.

19 23. Granting this Petition would allow WMW to file Work Papers that explain the services
20 provided under WM – Healthcare’s tariff, and that list all relevant data for any and every part
21 of Waste Management as a whole that conducts intra-company transactions or arrangements
22 affecting the services provided under the tariff. to prepare some components of the Work
23 Paper requirements for WMW as a whole would impose a significant hardship on the
24 company because each business entity has its own general ledger, and the analysis would
25 require manually consolidating data into one master ledger, a time-consuming and
26 unproductive process without any commensurate benefit to the ratepayers

V. CONCLUSION

For the reasons stated above, WMW respectfully requests that the Commission grant an exemption of WAC 480-07-520(4) to WMW for today's WM – Healthcare filing to limit the Work Papers required under WAC 480-07-520(4) in the manner stated above.

DATED this 15th day of March 2018.



By _____

Polly L. McNeill, WSBA # 17437
SUMMIT LAW GROUP PLLC
315 Fifth Avenue South, Suite 1000
Seattle, WA 98104
T: (206) 676-7000
F: (206) 676-7001
Attorneys for Waste Management of
Washington, Inc.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26