



TG-210423

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UTIL. AND TRANSP.
COMMISSION

FROM: Benjamin Sharbono
DATE: October 21, 2020
SUBJECT: TG-210423, Waste Connections of Washington, Inc.

Discussion:

Waste Connections of Washington, Inc., dba Waste Connections (Waste Connections or company) is a Class “A” solid waste company as defined in rule; WAC 480-70-041 with over \$23.5 million in regulated intrastate gross revenues. As required in WAC 480-70-079, the company filed on June 3, 2021, with the Utilities and Transportation Commission (UTC or commission) a report on its affiliated interest and subsidiary transactions.

Scope of Staff Investigation:

Staff will examine the filing in UTC Docket TG-210423 and answer the following questions:

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

Requirements set forth in WAC 480-70-079:

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

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

For 2020, Waste Connections is reporting the following transactions:

1. Waste Connections US, Inc. – Provides management, safety, legal, accounting, procurement, human resources, engineering, and environmental services to Waste Connections (\$2,185,775).
2. Columbia Resource Co., LP – Waste Connections provides recycle hauls for Columbia Resources Company, Inc. (\$21,990).
3. Wasco County Landfill – Provides landfill for disposal (\$19,656).

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

<i>Requirement</i>	<i>Staff opinion</i>
File copies of affiliated interest contracts and arrangements as stated in WAC 480-70-078 (WAC 480-70-079 (4)).	Reported none.

Areas and Elements Examined in the Next Rate Case:

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

Conclusion

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