



King County

Solid Waste Division

Department of Natural Resources and Parks

King Street Center

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Seattle, WA 98104-3855

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TTY Relay: 711

June 29, 2012

David W. Danner, Secretary and Executive Director

Attention: Gene Eckhardt, Assistant Director

Washington State Utilities and Transportation Commission

PO Box 47250

Olympia, WA 98504-7250

RE: Extension of Waste Management of Washington's Revenue Sharing Plan in King County

Dear Mr. Danner:

The purpose of this letter is to provide King County's support for and certification of the four-month revenue sharing plan (Plan Extension) with Waste Management of Washington (Waste Management) that will continue revenue sharing programs in King County through December 31, 2012. The plan referenced herein applies to the areas defined in Tariff 15 (Waste Management – Sno-King) and Tariff 22 (Waste Management – South Sound & Seattle) in Waste Management's G-237 certificated territory within King County.

Waste Management and King County previously filed a recycling plan for their service areas in King County for the period beginning December 1, 2011, and ending 31, 2012 (the Base Plan). The Base Plan recommended that the Washington Utilities and Transportation Commission (WUTC) allow Waste Management to retain 30 percent of revenues from the sale of commodities collected from residential customers during the Base Plan period to implement the program activities described in the plan. This Plan Extension continues the retention of 30 percent of revenues and extends plan program activities for an additional four months.

At the time the Base Plan was finalized, it included elements that WUTC believed needed further analysis to determine consistency with the authorizing statutes. Consequently, WUTC allowed the Plan and 30 percent retention to go into effect but in a suspended status, subject to future modification after additional analysis and policy guidance from WUTC. Recently WUTC issued an "Interpretive and Policy Statement on RCW 81.77.185" that provides substantive guidance on how revenue sharing plans should be structured, including the appropriate mechanisms for providing financial incentives to hauling companies. The Policy Statement, however, was not published with sufficient time for the parties to incorporate its guidance into the current Base Plan, nor to incorporate it into a new plan by the July 15, 2012 filing deadline.

Waste Management has requested time to work with Commission Staff to resolve outstanding issues with the current Base Plan before developing a new plan consistent with Policy Statement guidance. We believe that the Plan Extension is the best approach for accomplishing these objectives. Our intent is to submit a new plan prior to the November 15, 2012 filing deadline along with a new commodity credit that reflects any adjustments to previous revenue retention and meets WUTC policy guidance for the upcoming period.

Certification of Plan Extension

In my position as Solid Waste Division Director, I have been delegated the authority to make the certification of this plan required in RCW 81.77.185. I hereby certify that the Plan Extension submitted to you by Waste Management is consistent with the King County Comprehensive Solid Waste Management Plan.

Thank you for the opportunity to offer our comments and support for the Plan Extension developed by Waste Management and King County. If you have any questions, please contact Bill Reed at 206-296-4402, or bill.reed@kingcounty.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Kiernan".

Kevin Kiernan
Division Director