



WASTE MANAGEMENT
720 4th Ave, Suite 400
Kirkland, WA 98033

September 5, 2018

Washington Utilities and Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA. 98504-7250

Received
Records Management
09/05/18 08:29
State Of WASH
UTIL. AND TRANSP.
COMMISSION

Subject: Waste Management of Washington, Inc. d/b/a Waste Management of Skagit County (G-237); Tariff No. 19

Enclosed herein, you will find new Tariff No. 19 for the above-referenced operating division of Waste Management of Washington d/b/a Waste Management of Skagit County ("WMSC"). This new tariff reflects increases to our residential garbage, recycling and yard waste collection rates roll off collection rates. This new tariff is being filed with a proposed effective date of November 1, 2018. In order to allow sufficient time for the staff's review, this request is being filed with a lead time greater than the required 45-day period.

WMSC received its last general rate increase on July 2011, more than seven years ago. We are requesting adjustments to our rates due to increased maintenance, recycling processing costs, labor, and other operating and administrative costs since our last general rate increase. Please note that this filing will eliminate the recycling surcharge that is currently in effect for WMSC. At this point in time, it appears that increased recycling processing costs have stabilized sufficiently enough to be incorporated into permanent rates, and the surcharge is not necessary unless and until market conditions are changed again by something as dramatic as China's National Sword.

In addition to these increased expenses, the revised rates also reflect a substantial investment at our collection facility to build the infrastructure to fuel CNG powered trucks. The filing also reflects the initial investment for 14 new CNG powered trucks which will be in service at the beginning of the rate period. Ultimately the entire fleet of 55 trucks will be replaced with CNG powered trucks.

This new tariff, if approved by the Commission, would increase Company service revenue by approximately \$830,000 (9.1%). In preparing this rate filing it has been determined that increased rates are only necessary for the residential garbage, recycling, and yard waste and roll off collection services. Accordingly, we are requesting that the overall revenue requirement be applied only to these operations. Accordingly, we are requesting a 13.8% increase in these rates.

Enclosed for your review are our accounting workpapers. Please note that our filing includes certain documents that contain valuable commercial information and is therefore being submitted in accordance with the procedures established in WAC 480-07-160. It is presented in two separate submittals to the web portal, both of which clearly identify electronic versions of confidential and redacted documents. One includes electronic versions of work papers containing confidential materials (in PDF and excel), with the first page of the file, and each page that contains confidential information marked appropriately. The second, separate web portal filing contains all nonconfidential materials in PDF, consisting of the transmittal letter, the revised tariff, and redacted work papers.

Consistent with our practice of the past several years, we respectfully request a waiver from the application of WAC 480-07-520 to allow our work papers to be limited to the Waste Management division that operates under the tariff for which rate adjustments are requested.

If you have any questions or need additional information, please contact me at:

Address: 720 4th Avenue, Suite 400, Kirkland, WA 98033
Telephone / Fax # / e-mail: (425) 814-7840 / (425) 814-7866 / mweinstein@wm.com

Respectfully,

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

cc: Alan Schaible
Clerk of the Board for Island, Skagit and Snohomish County Boards