



**FROM:** Jaclynn Simmons  
**DATE:** November 1, 2022  
**SUBJECT:** TG-220635 – Waste Management of Washington

**Discussion:**

Waste Management of Washington, Inc. (Waste Management or company) is a Class “A” solid waste company as defined in rule; WAC 480-70-041 with over \$166 million in regulated intrastate gross revenues. As required in WAC 480-70-079, the company filed on April 29, 2022, 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-220635 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 Management has met this requirement.

For 2020, Waste Management is reporting the following transactions:

1. Waste Management, Inc. – Provides management, safety, legal, accounting, procurement, human resources, engineering, and environmental services (Overhead) to Waste Connections (\$26,479,191 reported for 2021).

<b><i>Requirement</i></b>	<b><i>Staff opinion</i></b>
<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 Management 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>	
<b><i>Requirement</i></b>	<b><i>Staff opinion</i></b>
<p>Balance sheet and income statement for such affiliated interest (WAC 480-70-079 (3) (a)).</p>	<p>Waste Management 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 Management 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 Management 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 exist.</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 exist.</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 Management 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 Management 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 Management, 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.

Note 2022: The company reported only one affiliated company as having transactions, Waste Management, Inc. A review general ledger for transactions with affiliated companies and review of allocation methods (allocated on total operating expenses) may be advised.

**Conclusion**

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