



WASTE MANAGEMENT

720 4th Ave, Suite 400
Kirkland, WA 98033

March 1, 2018

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

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Subject: Waste Management of Spokane, Valley Garbage Service Co., divisions of Waste Management of Washington, Inc. (G-237); Tariff # 18

Enclosed are revised pages 2 and 22 to the above-referenced tariff. The purpose of these tariff revisions is to reflect a temporary surcharge on our residential recycling service rates due to increased processing costs. This is one of five filings to request changes to tariffs applicable to all residential recycling customers served by Waste Management of Washington, Inc. under Certificate No. G-237. The Company seeks approval to use this surcharge to mitigate the impacts of volatile markets for recyclable material due to the consequences of China's "National Sword" policy.

Processing costs are rapidly and uncontrollably escalating to reflect the lack of available markets following an announced ban of many recyclable materials and new unachievable quality requirements by the overseas markets. Implementation by China of its "National Sword" policy has created volatility and uncertainty with regard to the costs of processing and marketing recyclable materials. Due to these impacts, of which the company has no control and with no understanding as how significant these costs will increase and their duration; we believe that a temporary surcharge on our recycling rates is an appropriate mechanism for temporarily managing increased processing costs. We propose a surcharge to be adjusted every 90 days as the most prudent way to respond to these increased costs. If approved, this monthly surcharge in an amount of \$0.41 (5.0%) per customer would increase Company revenue monthly by approximately \$8,000. We are requesting that the first proposed surcharge become effective on May 1, 2018.

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.

Also enclosed with the second filing is a nonconfidential "Petition for Rule Exemption", filed contemporaneously with WMW's application for approval of a tariff rate surcharge mechanism, seeking permission for exemptions for WAC 480-07-520(4) and WAC 480-70-271(1)(a).

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: Jesse Granado
Tami Yager
Clerk of the Board, Spokane County Chair