

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition filed by:

WASTE MANAGEMENT OF
WASHINGTON, INC., d/b/a WASTE
MANAGEMENT OF SPOKANE,
VALLEY GARBAGE SERVICE CO.,

Requesting Authority to Retain 50 Percent
of the Revenue Received from the Sale of
Recyclable Materials Collected in
Residential Recycling Service

DOCKET TG-220453

ORDER 01

AUTHORIZING REVENUE
SHARING FOR RECYCLABLE
COMMODITIES REVENUE AND
ALLOWING RECYCLABLE
COMMODITY CREDIT
ADJUSTMENT

BACKGROUND

- 1 On June 14, 2022, Waste Management of Washington, Inc., d/b/a Waste Management Spokane, Valley Garbage Service Co., (Valley Garbage or Company) filed with the Washington Utilities and Transportation Commission (Commission) the following: (1) revised commodity credits resulting in decreased rates to residential and multifamily recycling customers; (2) the Company's 2022-2024 recycling revenue sharing plan with Spokane County; and (3) a request to retain up to 50 percent of the revenue received from the sale of recyclable materials during the 2022-2024 recycling plan period. The Company serves approximately 22,000 residential and 300 multifamily recycling customers in Spokane County.

PROPOSED 2022-2023 COMMODITY CREDITS

- 2 The Company filed tariff pages on July 14, 2022, proposing a residential commodity credit increase from \$1.11 to \$2.69 per month, resulting in an overall decrease in recycling rates for single-family residential customers of \$1.58 per month. For multi-family customers, the filed tariff reflects a commodity credit increase from \$0.15 to \$0.45 per yard, resulting in decreased recycling rates of \$0.30 per yard for the period August 1, 2022, to July 31, 2023. The proposed commodity credits reflect the effect of the Commission-approved deferred accounting mechanism.

PROPOSED 2022-2024 RECYCLING PLAN AND REVENUE SHARING

- 3 Under RCW 81.77.185, the Commission shall allow a solid waste collection company collecting recyclable materials to retain up to 50 percent of the revenue paid to the company for the material if the company submits a plan to the Commission that is certified by the appropriate local government authority as being consistent with the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue shall be passed back to customers.
- 4 Pursuant to that statute, Spokane County (County) and Valley Garbage have initiated a revenue sharing plan (Plan) beginning August 1, 2022, and expiring July 31, 2024. According to the Plan, the Company will, subject to approval by the Commission, be allowed to retain 50 percent of the revenue received for the sale of recyclable commodities collected in its curbside recycling operations in Spokane County. The retained revenue will be used to increase recycling in Spokane County through initiatives and tasks outlined in the plan. For the 2022-2024 plan period, the Company projects it will earn \$1,736,530 in revenue from the sale of recyclable commodities from 26,635 regulated recycling customers, allowing the Company to retain \$826,950.
- 5 For the 2022-2024 plan period the Company reported the following: Task 1 - “Knowledge Sharing” (\$316,950); Task 2 - “Community Events – Reducing Contamination and Waste” \$20,000; Task 3 - “Focused Education of Younger Minds” (\$290,000); Task 4 - “Multifamily Recycling and Reduction of Contamination” (\$55,000); and Equitable Outreach (\$145,000). The Plan also provides for a five percent performance incentive for increasing per capita diversion rates by five percent, the total available performance incentive bonus for the two-year plan period is \$41,350.
- 6 Matt Zarecore, Spokane County interim Director of Public Works, signed the Plan and certified that it is consistent with Spokane County’s Comprehensive Solid Waste Management Plan. Spokane County recommends that the Commission allow the Company to retain up to 50 percent of the actual value of recyclable commodity revenues received each of the two years of the plan from August 1, 2022, to July 31, 2024.
- 7 Commission staff (Staff) recommends that the Commission grant the Company’s request to retain up to 50 percent of the recyclable commodity revenue collected during each year of the Plan and allow the recycling commodity credits filed by Valley Garbage Services on June 14, 2022, to go into effect August 1, 2022.

DISCUSSION

8 We agree with Staff's recommendation and grant the Company's request to retain up to
50 percent of the recyclable commodity revenue collected during each year of the Plan
and allow the recycling credits filed by the Company to go into effect by operation of law
on August 1, 2022. We address each of the Company's requests in turn.

9 First, the Company has met the requirements of RCW 81.77.185. Valley Garbage
submitted a plan to the Commission that was certified by the appropriate local
government authority as consistent with the local government's solid waste plan, which
demonstrates how the revenues will be used to increase recycling. Spokane County
recommends that the Commission allow the Company to retain up to 50 percent of the
actual value of recyclable commodity revenues received each of the two years of the plan
from August 1, 2022, to July 31, 2024. As such, we grant the Company's request to retain
up to 50 percent of the recyclable commodity revenue collected during each year of the
Plan.

10 Additionally, we find that the Company's proposed commodity credits, which reflect the
effect of the Commission-approved deferred accounting mechanism, are consistent with
the public interest.

FINDINGS AND CONCLUSIONS

11 (1) The Commission is an agency of the State of Washington vested by statute with
the authority to regulate the rates, regulations, practices, accounts, and affiliated
interests of public service companies, including solid waste companies.

12 (2) Valley Garbage is engaged in the business of providing solid waste services within
the state of Washington and is a public service company subject to Commission
jurisdiction.

13 (3) This matter came before the Commission at its regularly scheduled meeting on
July 28, 2022.

14 (4) Under RCW 81.77.185, the Commission shall allow a solid waste collection
company collecting recyclable materials to retain up to 50 percent of the revenue
paid to the company for the material if the company submits a plan to the
Commission that is certified by the appropriate local government authority as
being consistent with the local government solid waste plan, and that

demonstrates how the revenues will be used to increase recycling. RCW 81.77.185 states that the remaining revenue shall be passed back to customers.

- 15 (5) Spokane County is responsible for managing waste through its Comprehensive Solid Waste Management Plan. The Director of Spokane County's Solid Waste Division certified that Valley Garbage's recycling plan is consistent with Spokane County's Comprehensive Solid Waste Management Plan.
- 16 (6) Valley Garbage's request to retain up to 50 percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs from August 1, 2022, to July 31, 2024, is consistent with RCW 81.77.185, and the Commission finds that Valley Garbage's request should be granted.
- 17 (7) It is in the public interest to allow the revisions to Tariff No. 18, filed on June 14, 2022, to become effective on August 1, 2022.

ORDER

THE COMMISSION ORDERS:

- 18 (1) Provided Waste Management of Washington, Inc., d/b/a Waste Management of Spokane, Valley Garbage Service Co., complies with the Plan as set forth in this Order, the Company may retain up to 50 percent of the revenue it receives from the sale of recyclable materials collected in its single-family and multi-family residential recycling programs from August 1, 2022, to July 31, 2024.
- 19 (2) Waste Management of Washington, Inc., d/b/a Waste Management of Spokane, Valley Garbage Service Co., shall make a compliance filing with the Commission no later than June 15, 2023, in which the Company shall identify the amount of revenue it retained, the amount of money it spent on the activities identified in the Plan, and the effect the activities had on increasing recycling.
- 20 (3) The commodity credits filed by Waste Management of Washington, Inc., d/b/a Waste Management of Spokane, Valley Garbage Service Co., on June 14, 2022, are allowed to go into effect by operation of law.
- 21 (4) The Commission delegates the Secretary the authority to approve by letter all compliance filings required in this Order.

- 22 (5) The Commission retains jurisdiction over the subject matter and Waste Management of Washington, Inc., d/b/a Waste Management of Spokane, Valley Garbage Service Co., to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective July 28, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL
Executive Director and Secretary