

**WAC 480-92-055 Reporting requirements—Special reports.** (1) **Affiliated interests—Contracts or arrangements.** Prior to the effective date of any contract or arrangement described in RCW 81.16.020, each site operator must file a verified copy or a verified summary, if unwritten, of contracts or arrangements, except transactions provided at tariff rates, with any affiliated interest. Prior to the effective date of any modification or amendment, the site operator must file verified copies of the modifications or amendments to the contracts or arrangements. If the contract or arrangement is unwritten, the site operator must file a verified summary of any modification or amendment. The commission may institute an investigation and disapprove the contract or arrangement if the commission finds the site operator has failed to prove that it is reasonable and consistent with the public interest.

(2) **Transferring cash or assuming obligations.**

(a) At least five business days, as defined in WAC 480-07-120 (Office hours), before a site operator, whose corporate credit/issuer rating is not in one of the four highest rating categories of either Standard & Poor's L.L.C. or Moody's Investors Service, Inc., or its subsidiary transfers cash to any of its affiliated interests or subsidiaries or assumes an obligation or liability of any of its affiliated interests or any of its subsidiaries, the company must report to the commission an estimate of the amount to be transferred and the terms of the transaction when the transaction will exceed thresholds as described in (a)(i) or (ii) of this subsection.

(i) The company must report if the cumulative transactions to a subsidiary or affiliated interest for the prior twelve months exceed a threshold of five percent, which is based on the prior calendar year gross operating revenue from Washington intrastate operations subject to commission jurisdiction.

(ii) When the threshold in (a)(i) of this subsection has been reached, the company must report each subsequent transaction exceeding a threshold of one percent for the prior twelve-month period, which is based on the prior calendar year gross operating revenue from Washington intrastate operations subject to commission jurisdiction.

(b) The reporting requirements in subsection (1) of this section do not include payments for:

(i) Federal and state taxes;

(ii) Goods, services, or commodities;

(iii) Transactions, attributed to the regulated entity, previously approved or ordered by the commission, other regulatory agencies, or the court;

(iv) Dividends to the extent the level of such dividends over a twelve-month period does not exceed the larger of:

(A) Net income during such period; or

(B) The average level of dividends over the preceding three years; or

(v) Sweep or cash management accounts used to transfer funds to or from a subsidiary or affiliate as part of the customary and routine cash management functions between or among the site operator and its subsidiary or affiliate.

(3) **Affiliated interest and subsidiary transactions report.**

(a) By June 1 of each year, each site operator must file a report summarizing all transactions, except transactions provided at tariff rates, that occurred between the site operator and its affiliated interests, and the site operator and its subsidiaries, during the period

January 1 through December 31 of the preceding year. The information required in this subsection must be for total company and for total state of Washington. The report must include a corporate organization chart of the company and its affiliated interests and subsidiaries.

(b) When total transactions with an affiliated interest or a subsidiary are less than one hundred thousand dollars for the reporting period, the site operator must provide the name of the affiliated interest or subsidiary participating in the transactions and the total dollar amounts of the transactions. When total transactions with an affiliated interest or subsidiary equal or exceed one hundred thousand dollars for the reporting period, the site operator must provide:

(i) A balance sheet and income statement for such affiliated interest;

(ii) A description of the products or services provided to or from the company and each such affiliated interest or subsidiary;

(iii) A 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;

(iv) A 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;

(v) A description of the terms and total amount of any obligation or liability assumed by the company for each such affiliated interest or subsidiary;

(vi) A description of the activities of each such affiliated interest or subsidiary with which the company has transactions; and

(vii) A list of all common officers and directors between the low-level waste company and each such affiliated interest or subsidiary, along with their titles in each organization.

[Statutory Authority: RCW 80.01.040, 80.04.160, 81.04.160 and 34.05.353. WSR 05-06-051 (Docket No. A-021178 and TO-030288, General Order No. R-518), § 480-92-055, filed 2/28/05, effective 3/31/05.]