



March 14, 2013

VIA HAND DELIVERY

Ms. Naomi M. Kelly
City Administrator
City and County of San Francisco
City Hall, Room
1 Dr. Carlton Goodlett Place
San Francisco, CA 94102-4645

Re: 2013 Rate Application

Dear Ms. Kelly:

The San Francisco collection and processing companies, Recology Sunset Scavenger, Recology Golden Gate and Recology San Francisco (the Companies) are pleased to submit the following rate application for the period of July 1, 2013 to June 30, 2014.

It is a privilege to serve the City and County of San Francisco, its residents and businesses, as we have for nearly 100 years. We are particularly proud of our shared accomplishments, working closely with the City to build and maintain our joint status as the nation's leader in innovative waste diversion programs. Together we have made great progress over the last several years. San Francisco had set a goal of 75 percent diversion by 2010, and we are pleased the City exceeded that goal by achieving an 80 percent diversion rate for 2010, again affirming the City's national environmental leadership. The City was recently named the Greenest City in North America, in large part due to its 100 percent score on the waste diversion and resource management portions of the evaluation.

The City has an even more ambitious goal of Zero Waste by 2020. Meeting this challenge will require significant changes to the current service and rate structure, along with new facilities and processing capabilities. The attached rate application represents a meaningful step towards reaching that goal.

One of the key elements of the rate application is the proposal to make structural changes to both residential and apartment rates in an effort to establish a more sustainable revenue stream. Since rates were last set in 2006, there has been significant migration from trash (black bin) service to diversion (blue bin and green bin) service. The migration was a result of Recology customers' embrace of the existing diversion programs, driven further

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by the City's mandatory recycling and composting ordinance, which became effective in 2009. Under the existing rate structure, this migration resulted in reduced revenues, since customers reduced black bin service and utilized diversion services that are currently provided without additional cost to the customer. At the same time, the Companies' costs have increased as a result of providing expanded diversion services along with inflationary changes. As we continue to move towards zero waste and the trash stream continues to shrink as a percentage of total service, it is vital that the rate structure evolves to apply charges to all services. The specific costs of providing service (labor cost, vehicle costs, etc.) apply to all types of service, irrespective of the color of the bin or the materials inside. At the same time, the proposed structures continue to promote diversion services, along with encouraging source reduction, both important components of the City's Zero Waste plan.

The application includes a request for an overall increase of 21.51%. This increase is intended to apply to all customer segments. Due to the varying structure of each customer segment and the varying levels of service currently being provided, customers may see individual adjustments more or less than the 21.51%. The requested increase percentage reflects a reduction from the draft application of 2.24%. This reduction is a result of revenue and cost adjustments included in the final application based on input from City staff, the ratepayer advocate and the public.

Another key element of the rate application is the inclusion of costs associated with processing compostable materials that customers still deposit in the trash (black) cart. This additional processing activity is an important part of the diversion program, since a significant portion of the trash stream is compostable. Operating costs for additional black cart processing, along with planning and entitlement costs for new facilities, are included in the Recology San Francisco projections.

The proposed residential rate structure includes some significant changes. The current charge, although it covers all residential service costs, is calculated solely on the volume of the black cart. The proposed structure will include a fixed charge, based on the number of units in any building (residential service is defined as any building with less than 6 units), a small volumetric charge for blue and green bins, and a charge for the black bin. Residential customer rate increase percentages will vary depending on the composition and volume of service. The typical household (32 gallons of each service) will see an increase from \$27.91 to \$34.51 per month. A typical 20-gallon customer will see an increase from \$21.49 to \$24.94 per month. This proposed structure is a step towards aligning the rates charged with the cost components for residential service.

The proposed apartment structure also includes some significant changes. The proposed structure is similar to the discounted-volumetric structure currently employed in the commercial sector. The new structure also includes a fixed charge for each dwelling unit. This structure is intended to charge equally for each type of service and provides

discounts for diversion services. The discount, up to 75 percent of the volumetric portion of each bill, is based on diversion volume in excess of 10 percent as a percentage of total volume. This approach is designed to encourage apartment customers to increase their diversion services. To partially mitigate the impact of implementing this structural change, the Companies are proposing to include a two-year cap for all apartment customers. The first year cap would limit the increase under the new structure to 25 percent of current charges, moving to 50 percent in the second year, and finally 100 percent, or the full effect of the structure, in the third year. The caps will allow ample time for customers to embrace the new structure and adjust service levels to mitigate further rate increases. It is anticipated that changes to service levels and configuration will offset any additional revenue generated by the removal of the caps.

The rate filing explains the need for higher rates to address increased costs and lower than anticipated revenues, and also describes the rate structure proposals discussed above. The last rate adjustment was effective July 1, 2010, and in the three-year period leading to the requested rate adjustment, costs have increased with inflation and the expansion of diversion programs. The proposed rate adjustment is also intended to reset the rates to account for the impact of more diversion services than were anticipated in the last rate, due to migration and the mandatory recycling ordinance. The Companies also seek to recover additional costs associated with expanded City programs and services.

Adjusting for inflationary cost increases, providing new diversion programs and support for City programs, and resetting the rate structure to help account for some of the unrealized program revenue due to migration to diversion services will require a revenue increase of approximately 21.51 percent from each customer segment (residential, apartment and commercial). Since each of the segments is proposed to employ a slightly different structure, the exact increase could vary slightly. In addition, due to the fact that rates are dependent on volumes and service configuration, individual rate changes will vary. Finally, rates will vary as the increases are based on current service levels, which are expected to change with implementation of the new structures. The Companies will endeavor to work with customers to increase diversion services, which in many cases will partially mitigate the rate increase.

The rate application follows the general rate-making methodology utilized in past rate processes. A thorough presentation of Company expenses, proposed program changes and impacts of the proposed new rate structures are included in the application. Company representatives will be available to explain the content of the application and answer all questions related to the submission.

The application presents Recology Sunset Scavenger and Recology Golden Gate as a single entity for rate setting purposes. This is consistent with the last rate order and with the reports the Companies have submitted since the completion of the last rate process.

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The Companies have created a new Web site specifically to make facts and information available to customers about the rate application and the impact on rates for refuse and recycling collection. By spending a few moments at www.SFZeroWasteRates.com, customers can quickly see what rate dollars pay for, rate comparisons to other Bay Area cities, and the factors contributing to the need for an application to increase collection rates.

We believe our rate filing is complete in accordance with the Refuse Collection Disposal Initiative Ordinance of the City and County of San Francisco, the April 6, 2006 Directors Report, and the Department of Public Works Order No. 180,851 (Rules of Procedure: Refuse Collection and Disposal Rate Hearings"). We have advised City staff that reports from experts and consultants relevant to the application will be forwarded to the City as completed.

We look forward to further review and discussion of these matters and we are happy to respond to any questions you or your staff might have.

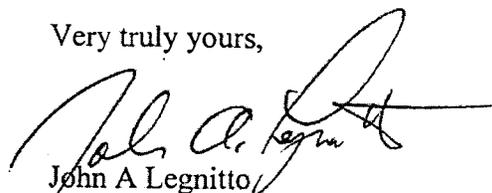
Please be advised that communications regarding this draft application and later applications, including notices of hearings, should be sent to the following persons:

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Very truly yours,



John A Legnitto
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cc: (w/o encls.)
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**2013 RATE APPLICATION
NARRATIVE SUMMARY**

March 14, 2013

Recology Sunset Scavenger
Recology Golden Gate
Recology San Francisco

I. OVERVIEW

A. MANAGEMENT OF RESOURCES IN SAN FRANCISCO

The City of San Francisco is recognized as a world leader in environmental stewardship. In 2011, San Francisco was named the Greenest City in North America, in large part due to its number one ranking in waste management. In 2012, San Francisco announced that it had achieved 80 percent landfill diversion, again demonstrating international leadership for a major urban city. The San Francisco collection and processing companies – Recology Sunset Scavenger, Recology Golden Gate, and Recology San Francisco (the “San Francisco Companies” or “Companies”) – work in concert with the City to achieve these important goals. The combined efforts of the City and the Companies have been the focus of local, national, and international media coverage as one innovative achievement after another has been recognized.

The City is not resting on its past accomplishments. San Francisco’s Board of Supervisors has passed two major policy initiatives that steer the City forward to even greater environmental stewardship: (1) the Mandatory Recycling and Composting Ordinance (the Mandatory Ordinance) and (2) Zero Waste by 2020.

1. Mandatory Recycling and Composting Ordinance

The Mandatory Recycling and Composting Ordinance took effect in October 2009. It requires all residents and businesses to separate discarded materials into three streams – recyclables, compostables, and trash. While the City’s residential and commercial customers have been served by this three-stream system for about ten years, until passage of the Mandatory Ordinance, participation had been voluntary. The Mandatory Recycling and Composting Ordinance not only mandated full compliance with the separation system, it also included enforcement provisions.

The Ordinance has resulted in substantial impacts to both service and customer billings. As a result of the Ordinance, participation increased and diversion rates picked up significantly, particularly as previously non-participating or poorly-participating multi-family and commercial customers moved to greater recycling and composting service. Presently, residential/apartment customers are billed solely on the basis of trash bin volume and commercial customers receive steep discounts on recycling and composting services. As a consequence of the current rate structure, billings to customers decreased as trash service (black landfilled stream) decreased and recycling service (blue stream) and composting service (green stream) increased.

The current rate structures for both residential/apartment rates and commercial rates were designed to promote diversion, and both provide strong financial incentives for customers to orient their service to diversion (recycling and composting services). Under these structures, however, as the diversion programs became more successful and the service configuration shifted, the Companies’ revenues have decreased. At the same time, costs have increased related to the additional recycling and composting services provided. Any cost reductions in

providing reduced trash services have been far outweighed by additional cost of expanded recycling and composting services.

2. Zero Waste By 2020

Zero Waste by 2020 is a policy goal adopted by the City in 2003. Zero waste includes eliminating tonnage from going directly to landfill and finding the highest and best use for all discarded materials. Achieving zero waste is a very challenging goal that will require significant planning, infrastructure investment, and changes to collection and processing operations. The Companies have been working with the City to identify the necessary system improvements, including the incorporation of new waste processing technologies and changes to collection practices. These planning activities will continue during the near-term horizon covered by this rate application. In addition, the Companies will begin the challenging task of processing the trash stream (i.e., black bins) to further reduce the quantity of materials being landfilled.

B. RATE APPLICATION GOALS AND OBJECTIVES

The fundamental goal of the Companies in submitting this rate application is to obtain approval for fair and reasonable rates that will generate sustainable revenues to allow the Companies both to maintain quality service and to continue developing and operating innovative programs to help the City attain its ambitious diversion goals. The Companies' application is driven by two main objectives:

- Begin implementation of sustainable zero-waste residential and apartment rate structures.
- Advance the effort to achieve zero waste by 2020

The rate application includes a request for revenue adjustments equal to 21.51% from each customer segment (residential, apartment, and commercial). Individual customer rate increase percentages will vary depending on their respective volume and composition of service. Customers who in the past have received recycling and composting services without a specific charge related to those services may see rate increases greater than the average increase.

C. RATE APPLICATION PROCESS

The rate application process follows the Rules of Procedure set forth in Department of Public Works (DPW) Order No. 180,851. The Companies are proposing a one-year rate period beginning on July 1, 2013 and ending on June 30, 2014. Cost of Living Adjustments (COLA) would be applied in subsequent rate years until new rates are established as a result of a new application process.

D. WEBSITE: www.SFZeroWasteRates.com

To promote transparency in the rate application review process, the Companies have established a website to make facts and information about the rate application easily available

to San Francisco residents. Customers can find information about the rate process at www.SFZeroWasteRates.com.

II. PROGRAMS INCLUDED IN THE RATE APPLICATION

A. CURRENT PROGRAMS

The rate application assumes that programs currently provided to San Francisco's residential and commercial customers will continue in the new rate period. These programs play an integral role in achieving the City's diversion goals. The core of the system is the three-stream collection of recyclables, compostables, and trash from residential, apartment, and commercial customers. In addition, the three-stream program is augmented by a variety of specialized collection and processing operations.

Current programs and operations to be continued include:

1. **COMINGLED RECYCLABLES COLLECTION (Blue Stream):** Residential and commercial collection of comingled recyclable, including paper, glass, aluminum, tin cans, and hard plastics (cups, tubs, lids, buckets, and toys without wires or metal parts).
2. **COMPOSTABLES COLLECTION (Green Stream):** Residential and commercial collection of food scraps, plant materials (yard waste), and soiled paper.
3. **TRASH COLLECTION (Black Stream):** Residential and commercial collection of non-recyclable and non-compostable materials.
4. **BULKY ITEM RECYCLING (RecycleMyJunk.com):** Special collection and recovery of bulky items, such as appliances, electronics, furniture, scrap metal, and wood through scheduled pick ups to facilitate customer participation and maximize recycling.
5. **CURBSIDE BATTERY RECYCLING:** Customers place batteries in zip-lock bags and place them on top of their black bins. Trash collectors place them in a special bucket in the collection truck. Workers at the transfer station then sort the batteries according to DOT rules and ship them to battery recycling facilities.
6. **COMMERCIAL WOOD, SCRAP METAL AND LARGE PLASTIC RECYCLING:** Special routes collect broken pallets from warehouses, wood scraps from cabinetmakers, and car doors and bumpers from auto shops, which are then sorted and recycled.
7. **WINDOW GLASS RECYCLING:** Glass from window shops and commercial customers is collected.
8. **CHRISTMAS TREE RECYCLING:** Christmas trees are collected at the curb during the first two weeks of January, chipped, and used at biomass facilities.
9. **CONSTRUCTION-AND-DEMOLITION WASTE RECYCLING:** As buildings are constructed, remodeled or demolished, metal, wood, sheetrock, rigid plastic, and other construction materials are captured in debris boxes, then taken to Recology's

construction-and-demolition recycling facility (iMRF) for sorting.

10. **HOUSEHOLD HAZARDOUS WASTE DROP OFF:** Recology operates the San Francisco Household Hazardous Waste Collection Facility (HHWCF), where residential customers can drop off household hazardous wastes (e.g., paint, oil, pesticides, and household chemicals) three days per week for safe recycling and disposal. This facility has been open since 1987 and was the first permanent HHWCF in the nation.
11. **DOOR-TO-DOOR HOUSEHOLD HAZARDOUS WASTE COLLECTION:** Recology also collects household hazardous wastes directly from homes using specialized trucks for handling and transporting these materials.
12. **VERY SMALL QUANTITY GENERATOR PROGRAM:** Qualifying small business generators of hazardous waste in San Francisco may use the HHWCF by appointment for a fee on designated days each month.
13. **E-WASTE RECYCLING:** Most electronic waste is banned from landfill in California. Fluorescent tubes, monitors, televisions, computers, and other electronics are collected from drop-off locations, curbside collection appointments, and the transfer station then shipped to facilities specializing in recycling specific types of e-waste.
14. **SAFE NEEDLE PROGRAM:** The San Francisco Safe Needle Disposal Program (SFSNDP) provides San Francisco residents with safe, convenient disposal of home-generated sharps at more than 70 pharmacies throughout the City. Residents can pick up empty sharps containers at participating pharmacies, fill them, and then return them for disposal as medical waste.
15. **SELF-HAUL RECYCLING:** Recology operates a special sorting line to recycle wood, metal, rigid plastic and other materials self-hauled by individuals and small contractors to the Public Reuse and Recycling Area (PRRA) at the Tunnel and Beatty facility.
16. **PERFECTLY-GOOD REUSE PROGRAM:** Recology pulls items that are in good condition for reuse (e.g., bicycles, furniture, clothing) from loads brought to the PRRA by individuals and small contractors. The re-useable items are either donated directly or given to organizations (e.g., St. Vincent DePaul) that process them for distribution in thrift stores.
17. **MATTRESS RECYCLING:** Mattresses from residents, hotels, and designated collection trucks are loaded into trailers at Tunnel and Beatty and transported to a local company specializing in mattress recycling.
18. **TEXTILE DROP-OFF AND COLLECTION:** Residents and businesses can drop off textiles at the PRRA. In addition to the drop-off, Recology collects source separated textiles from businesses that manufacture clothing and cut garment patterns. Residents can also have textiles collected through Bulky Item Recycling. The textiles

are sent to reuse and recycling markets.

19. **TOILET RECYCLING:** Old toilets are segregated from the waste stream and transferred to a company that specializes in porcelain recycling. Prior to shipment, toilet seats and lids are removed and baled with other rigid plastics for recycling.
20. **TIRE RECYCLING:** Used tires are handled separately at Tunnel and Beatty and then taken to a company that shreds and recycles the rubber.
21. **STYROFOAM DROP-OFF:** Residents and businesses can drop off clean styrofoam blocks at the PRRA for recycling. Recology San Francisco operates a special densifier that condenses loose pieces of styrofoam into ingots, which are recycled into such products as base boards and moldings.
22. **FILM PLASTIC DROP OFF:** Residents and businesses drop off clean polyethylene film plastic (e.g., plastic bags) at Recycle Central at Pier 96 and the PRRA for recycling. The film plastic is baled and shipped to plastic recycling markets.
23. **PUBLIC LITTER CAN COLLECTION:** Recology collects from over three-thousand public litter cans distributed around the City. Each can is emptied at least once per day, and some cans are emptied regularly as many as three times per day. Cans emptied more than once are emptied outside of the regular route service and on demand within 2 hours of notification of service necessity by the City.
24. **DISTRICT CLEAN-UP EVENTS:** Special clean-up events are held at least annually in each of the City's eleven Supervisorial Districts to allow residents to drop off items too big to fit in the regular collection bins, including all three refuse streams. Motor oil, batteries, and fluorescent lamps are also accepted.
25. **EVENT RECYCLING:** Recology provides recycling and composting collection services to neighborhood festivals and major functions such as the Chinese New Year Parade and the Pride Parade.
26. **CONCRETE AND ASPHALT RECYCLING:** Recology's Sustainable Crushing operation crushes and recycles concrete, asphalt, bricks, and porcelain into recycled construction products. Our aggregate and engineered-fill products not only displace virgin materials, but they play an integral role in a closed-loop recycling system, whereby old City streets and structures are recycled back into similar construction uses within the City by local companies.
27. **CONCRETE REUSE:** Recology also utilizes excess wet concrete from cement companies for creating building-block products as well as on-site construction applications.
28. **BUY-BACK CENTERS:** Recology operates buy-back centers for customers who want to bring in bottles and cans for deposit redemption.
29. **ARTISTS IN RESIDENCE:** Recology sponsors an artist in residence program to

demonstrate the possibilities of creative reuse of materials and to promote recycling. The Company sponsors about 8 residencies per year through this award-winning program, providing work space, access to materials, administrative support, and exhibition opportunities.

30. **EDUCATIONAL TOUR PROGRAM:** Recology provides educational tours to thousands of children and adults annually. The focus of the tour is on recycling, composting, reuse, and resource conservation. The tour includes visits to Recycle Central and Tunnel and Beatty.
31. **COMPOST GIVEAWAY:** Periodically, Recology provides free compost to San Francisco residents at various locations in the City. In addition, free compost is provided at District Clean Up events. The compost is derived from food and garden wastes generated in San Francisco, collected by Recology, and composted at one of Recology's composting facilities.

The Companies and the City have worked together for many years to provide the public education and outreach needed to support these programs, and the continued success of the programs requires on-going public education and outreach efforts. General outreach and specialized, targeted outreach programs will continue through the rate period and beyond.

B. NEW PROGRAMS

The Companies are proposing new programs, detailed below, to help move the City towards zero waste. The Companies endeavor to hire qualified San Francisco residents whenever possible to staff these new initiatives.

1. Trash Processing

In 2013, Recology San Francisco plans to begin processing a portion of the trash (black bin) stream. The processing operation will be conducted on the west side of the transfer station. The processing equipment consists of a bag breaker, a mechanical screen, a sorting platform and conveyor, a Bio Separator, and associated transfer conveyors. Black stream loads will be unloaded onto the transfer station floor and inspected for prohibited wastes. The waste will then be loaded into the bag breaker and fed through to the screen. Large materials that do not pass through the screen will be sorted for recovery (e.g., metals, glass, paper, plastic containers). Small materials that pass through the screen (unders) will be loaded into the Bio Separator, which separates the waste into two streams: an organic-rich material suitable for anaerobic digestion and/or composting and a separate stream consisting mostly of plastic and other non-organic materials. The objectives of this project are to achieve increased diversion of materials from landfilling and to gain experience with trash processing, thereby providing insight and experience in advance of the zero waste facilities design.

2. Abandoned Materials Collection

At the request of the City, the Companies have proposed the assumption of a part of the abandoned materials collection program currently operated by the DPW compactor trucks.

This proposed program includes the collection of items identified through the City's 311 reporting system, along with abandoned materials identified by Company personnel. The Companies propose to operate the program similar to Bulky Item Recycling, with utilization of five rear-loading packer trucks, five box trucks (for mattresses, electronics, appliances, etc.) and one pickup truck. Each crew would consist of two drivers, one in a rear loader and one in a box truck. Drivers would be assigned to a specific service area, and would be routed to collect abandoned materials reported through the 311 system. The company's goal is to respond to abandoned waste requests within a four-hour window on weekdays and an eight-hour window on weekends and holidays. Drivers would also be expected to collect any abandoned materials present on their routes where practical, even if it is not part of the 311 calls. All stops and collections will be documented. This program structure will increase collection and diversion of abandoned materials.

In addition to collection of materials related to 311 calls, the abandoned materials program will provide support for events identified by the City, including selected parades, festivals and holidays. The proposed plan includes all program costs, including 10 drivers each weekday, 8 drivers on Saturday, 6 drivers on Sunday, supervision, administrative support, vehicle costs, and disposal costs corresponding to expected tonnage.

3. Public Litter Can Maintenance

During the last year the Companies have expanded their collection of public litter cans at the direction of DPW to address an increased level of activity in the City and to assist DPW with litter control. The Companies currently operate 10.5 dedicated public litter can collection routes seven days per week, and a small part time sweep truck during the work week on Market St. Mission St. and the Financial District transit corridors. In addition to servicing the cans with regular route and sweep trucks we also employ a rover position that walks the shopping districts in Union square seven days per week during the Holiday shopping season from mid-November through mid-January and also during the summer from June through September. The combination of the dedicated route trucks, sweep trucks and rover helps to ensure that all of the public litter will receive adequate service throughout the day. The Companies are working with the City's 311 Customer Service and Dispatch System to better deploy resources and have agreed to respond to service issues within two hours of receiving a request from the 311 system. The Companies are also proposing to procure and implement a route tracking system to manage the additional public litter can routes.

In addition to the services described above, the Companies are proposing to assume responsibility for replacement of liners and doors for all public litter cans. This additional service will be performed by existing Company personnel and will be added to their current responsibilities without an increase in headcount. DPW will supply the Companies with liners and doors as necessary to maintain the public litter cans. The City, through DPW, will retain responsibility for major can repairs, installation and removal, graffiti abatement, and steam cleaning.

The Companies are proposing to fund the replacement of up to five hundred (500) newly designed public litter receptacles to support DPW Street Environmental Services. The funds

will be collected and transferred to the Impound Account and new receptacles will be purchased and installed by DPW Street Environmental Services. The current estimated procurement cost for a public litter receptacle is \$1,680.00, not including any installation charge.

C. CONTINGENT SCHEDULES

The Companies are proposing two contingent schedules that would be triggered upon future actions by the Companies and corresponding future approvals by the City. These costs are not included in the base rate application.

1. Contingent Schedule 1 – Zero Waste Facility Expansion

Providing the infrastructure necessary for meeting the City of San Francisco's zero waste goals requires the expansion of Recology's Tunnel and Beatty facilities. Achieving zero waste will involve processing all materials, including the trash (black bin) stream. In addition, more advanced processing of the recycling (blue bin) and composting (green bin) streams is envisioned for the future in order to divert more materials from landfill and to ensure sustainable markets for recovered materials. The additional processing operations would take place in new facilities that cannot be accommodated on the existing site. Contingent Schedule 1 addresses the costs associated with the acquisition of additional land necessary for the zero waste infrastructure. The Companies are requesting that reasonable carrying costs for the land investment be included in the rates. The request for reimbursement follows a utility regulatory framework covering land acquired for future use. The proposed contingent rate would become effective once Recology takes possession of the land. The proposed increase related to the land purchase would be adjusted to reflect the actual cost of the acquired land but would not exceed 0.67 percent, or \$0.19 on the 32 gallon black bin rate.

2. Contingent Schedule 2 – West Wing Project

Infrastructure at Recology's Tunnel and Beatty site is space-constrained (as noted above). The Companies have identified one near-term facility-expansion opportunity to provide building space for testing and developing the processing technologies needed to achieve zero waste. This project would involve constructing a west wing next to the existing transfer station. The West Wing Project would provide approximately 13,500 square feet of additional building area. It is envisioned that following construction of the zero waste facilities, the west wing building would be used for either specialized recycling operations or maintenance of mobile equipment used in the transfer station and in the construction-and-demolition recycling facility located on the east side of the transfer station. The Companies are requesting that building costs be added to the rate base following submittal of proof of first payment to the building contractor. The proposed contingent increase would be adjusted to reflect the actual cost of construction but would not exceed 0.16 percent or \$0.04 on the 32-gallon bin rate.

III. CHANGES TO RATE-SETTING METHODOLOGIES

1. Residential Rate Structure

The current residential rate structure was designed to incentivize residents to participate in diversion programs by billing residential customers solely on the basis of trash service volume. During the last rate process, the black bin rate was set to cover all of the estimated costs of the residential collection program at that time, including fixed costs and costs associated with the recycling (blue) and composting (green) streams. As the City moves toward zero waste, it is widely recognized that the refuse rate structure needs to be reconfigured, as higher levels of diversion are accompanied by a shrinking volume of trash. Since the current residential rate structure applies total system costs to that shrinking volume, residential revenues are not sustainable based on the current rate configuration. In addition, since a growing portion of the overall system costs (both collection and processing) are related to the costs of the recycling and composting streams, it is a natural evolution of the rate structure to include charges for those streams now and into the future. The proposed rate structure for residential rate customers includes a nominal charge of \$2.00 per 32 gallons of capacity for the recycling and composting streams. This charge is not expected to impact the amount of recycling and composting service provided. Customers are still incentivized to move towards recycling and composting service as the proposed volumetric charge for these diversion services is substantially less than the proposed volumetric charge for trash service.

In addition to the variable cost changes described above, the Companies are proposing a fixed charge of \$5.00 for each residential dwelling unit to be included in the new residential rates. The fixed charge is intended to cover some of the fixed system costs, including capital costs, administrative costs, and regulatory costs.

Individual residential customer rate increase percentages will vary depending on their respective volume and composition of service. Customers who in the past have received additional diversion services without a specific charge related to that service may see rate increases greater than the base increase. A typical residential customer with three 32-gallon bins will see an increase from \$27.91 to \$34.51 per month.

2. 20-Gallon Rate

The Companies are proposing to charge 20-gallon trash customers at 20/32 (62.5 percent) of the 32-gallon rate, rather than the previously established 77 percent. Consequently, all volumetric charges for residential customers are now proportional. 20-gallon customers will also be subject to the charges for recycling and composting services discussed above. Recycling and composting services are provided to all residential customers, including 20-gallon trash customers, in 32-gallon increments only. In addition, 20-gallon customers will also be subject to the fixed charge for single-family dwellings described above.

The change in the volumetric charge for the black bin described above reduced the overall increase for the 20-gallon customers. A typical residential customer with a 20-gallon black bin will see an increase from \$21.49 to \$24.94. This is intended to partially mitigate the total magnitude of the increase for these customers.

3. Apartment Rate Structure

During the last rate process, apartment customers and apartment rates were conformed to the residential rate structure. At that time, the uniform structure was effective in providing incentives for apartment customers to move toward recycling and composting service. This was important to support the diversion programs during their development stage. Since that time, there has been a substantial increase in recycling for apartment customers. With the maturity of these programs, institutionalization of recycling and composting as accepted practices, and the adoption of the Mandatory Ordinance discussed above, the apartment rate structure needs to evolve in order to continue providing incentives to apartment customers to increase their diversion services while stabilizing the revenue stream and addressing the overall cost of providing the service.

The Companies are proposing to implement a discounted volumetric apartment rate structure patterned after the commercial rate structure adopted in 2006. The new structure includes a fixed charge and equal volumetric charges for all service volume, irrespective of the type of service. These volumetric charges are partially offset by discounts for the proportional amount of recycling and composting service. The details of the proposed apartment rate structure are summarized below.

The proposed structure includes a \$5.00 per dwelling unit fixed charge. This charge is the same as the per unit fixed charge proposed for residential customers. The fixed charge is intended to cover some of the fixed system costs, including capital costs, administrative costs, and regulatory costs.

In addition, the proposed structure includes volumetric charges equal to \$25.51 per 32 gallons of weekday service, irrespective of type of service. This change applies the proposed residential black bin charge to all service volumes. The calculated gross revenue is largely offset by the discounts available for recycling and composting services, as described below.

Discounts of up to 75% of the volumetric charges are calculated from each customer's diversion percentage as a percentage of total volume, less 10%. The first 10 percent of diversion is not eligible for a discount due to the fact that there is a minimum level of diversion service required by the Mandatory Ordinance. This discount structure rewards customers that have more diversion services and encourages others to migrate towards more diversion service. As customers increase their recycling and composting services and their discount percentage, they will be able to partially mitigate the rate increase. As an example, if a customer has 3 equal size bins (one for each of the black, blue and green streams) they have a 67 percent gross volumetric discount rate. The discount they would receive on their volumetric charges is 57 percent (67% - 10%). If the customer added another recycling bin, the discount would become 65 percent (75% - 10%).

To partially mitigate the impact of implementing this structural change, the Companies are proposing to include a two-year cap for all apartment customers. The first year cap would limit the increase under the new structure to 25 percent of current charges, moving to 50 percent in the second year, and finally 100 percent, or the full effect of the structure, in the third year. The caps will allow ample time for customers to embrace the new structure and

adjust service levels to mitigate further rate increases. It is anticipated that changes to service levels and configuration will offset any additional revenue generated by the removal of the caps.

4. Commercial Rate Structure

Commercial rates were reconfigured in 2006 to recognize the desire to move towards zero waste, and encourage commercial customers to help the City reach higher diversion goals through economic incentives. The commercial rates currently include a base component and a variable service component, with a discount available on the variable service component based on the proportion of recycling and composting services to the total service volume. The variable service component of the rate for collection of trash, recycling, and composting is based on total service volume, with a consistent charge across all volume irrespective of the type of service. The discount, taken as a reduction of the volumetric charge, is currently capped at 75 percent. The base rate covers certain system fixed costs outside of direct costs for trash, recycling, and composting service.

The Companies intend to implement some minor changes to the commercial rate structure. The changes are designed to maintain a sustainable revenue stream within the context of the movement towards zero waste, along with creating new incentives to drive further diversion by commercial customers. Commercial revenues are expected to increase as a result of the structural changes. The overall increase will be consistent with the approved residential and apartment increases. The increased commercial revenue is included in the rate model as a reduction of the revenue requirement used to calculate residential and apartment rates.

The fixed component of the rate is moving from 5 percent to 10 percent of each commercial bill. This change moves the fixed cost component closer to the actual fixed cost as a percentage of total cost. The variable component is correspondingly changed from 95 percent to 90 percent of each commercial bill.

Discounts of up to 75 percent of the variable component of each commercial bill is still available based on the proportion of recycling and composting service in excess of 10 percent, up to 85 percent of total volume. The first 10 percent is no longer eligible for a discount since there is now a minimum level of recycling and composting service required by the Mandatory Ordinance. For example, if a commercial customer has one 96-gallon bin for trash, one for recycling, and one for composting service, all collected once a week, then total diversion service volume represents 67 percent. The discount for this customer would be 57 percent (67% – 10%). If a customer has one 2-cubic-yard bin for trash, one 1-cubic-yard bin for recycling, and one 1-cubic-yard for composting, all collected once a week, then total diversion service volume is 50 percent and the discount would be 40 percent (50% – 10%).

5. Zero Waste Incentives

As the City and Recology pursue San Francisco's goal of zero waste, the recycling incentives must evolve to reflect the focus on further processing of materials and alternatives to landfill. For RY2014 and forward, the Companies propose zero waste incentives (ZWI) based solely on landfill disposal tonnage. As with the current diversion incentives, there would be four

operating ratio reward tiers of 0.5% each. For RY2014, the first tier would be equal to projected total disposal tons in Recology San Francisco Schedule E, adjusting to add back the new, and as yet unproven, black stream processing. The fourth tier would be the straight line amount from these tons to a 90% reduction in them by 2020. This recognizes that the final 10% of landfill reduction requires producer responsibility and new and yet to be proven technologies. The other two tiers would be equidistant between the first and fourth tiers. First tier targets in subsequent years will be based on expected changes in baseline tonnage.

The collection and distribution of ZWI funds when goals are met would remain the same as for the current diversion incentives. Since disposal reductions and consequently ZWI goals will be more challenging in future years, the Companies propose that when ZWIs are not achieved, the Companies be allowed to propose to utilize those funds for new diversion programs, subject to Department of the Environment and DPW approval.

6. Toxics Collection Incentives

The Companies and the City are currently advancing Extended Producer Responsibility (EPR) policies which require manufacturers of products needing special handling, such as paint, household batteries, and fluorescent lamps, to provide for end-of-life management of these products. To this end, the City is establishing an EPR Fund to receive end-of-life management payments from manufacturers. Under the Toxics Collection Incentives system, the Companies will become eligible for monies collected in the EPR Fund upon meeting performance targets established by the Department of the Environment. The goal of these incentives is to increase collection rates of certain specified materials such as paint, household batteries, and fluorescent lamps.

Table 1 below outlines the targets in terms of tons of each material the Companies will need to collect and the corresponding incentive. The incentives have two tiers and the incentive amount would be received for each tier that is achieved. In order to achieve a tier, the Companies must meet or exceed the tonnage targets for all three material categories. The total amount of the annual incentive will be capped at the dollar amount available in the EPR Fund, plus interest, on the last day of each rate year. If the second tier is not achieved, the Companies would be allowed to propose a program to utilize those funds subject to Department of the Environment and DPW approval.

Table 1		Batteries	Lamps	Paint	Incentive
RY		(tons)	(tons)	(tons)	(\$)
14	Tier 1	86	46	407	82,188
	Tier 2	91	49	442	82,188
15	Tier 1	97	52	489	82,188
	Tier 2	103	55	535	82,188
16	Tier 1	109	59	600	82,188
	Tier 2	116	62	665	82,188

7. COLA

In the 2001 Rate Application, the Companies and the Rate Board approved a Cost of Living Adjustment (COLA) to enable the Companies to recover cost increases resulting from inflation over the five-year rate period (2001-2006). This COLA carried over to the 2006-2011 rate period, with modification to include a fuel index. The COLA that applied to the 2006 – 2011 rates had four adjustment components: (1) a labor component based on COLA increases included in the current labor agreements, (2) a Consumer Price Index (CPI) component for certain specified cost items, (3) a California Diesel Fuel Index and (4) a Producer Price Index (PPI) component for other certain specified cost items. A fifth component is for capital lease costs that are not subject to changes once the lease amounts are set.

The Companies propose to apply the COLA annually to the rate periods subsequent to the 2014 rate year until a new rate is set by the City as the result of a new rate proceeding. The COLA is updated to reflect the cost structure in the rate application with weightings of the COLA components adjusted as appropriate. The proposed COLA includes a labor component that is reflective of the current labor agreements, which include annual wage adjustments of between 3 percent and 5 percent. In addition, the Companies propose to modify the COLA by adding a component for health and welfare costs. As is widely recognized, health and welfare costs have increased greatly over the last several years and are expected to continue to rise. In addition, because of the uncertainty related to recent legislative and regulatory changes, the increase in costs could be quite dramatic and are hard to predict. The Companies propose to use a five-year average of historical cost increases, as determined by the Company's actuaries, as the proxy for future cost increases.

The proposed modified COLA is designed to ensure that the Companies fairly recover costs that increase during the periods subsequent to the 2014 rate period until a new rate is established through a new rate proceeding. This annual adjustment will protect both ratepayers and the Companies by increasing or decreasing rates in conjunction with economic trends and will eliminate the need for the Companies to submit an application for changes to the rates in the absence of significant new programs and/or facilities cost.

8. Special Reserve Surcharge

Under the Facilitation Agreement to the Altamont landfill disposal contract, a 1.3 percent surcharge was previously added to bills to provide a fund for unexpected cost increases associated with the contract (i.e., in between rate-setting processes) and to build a reserve for any future liabilities associated with disposal at the Altamont landfill. In the 2010 and 2012 rate processes conducted by the City, a determination was made that (1) the Special Reserve Fund had reached adequate levels to meet its intended uses and (2) the 1.3 percent surcharge should be redirected to the Department of Public Works for its costs associated with solid waste management. In the proposed rates, the City has directed the Companies to include the equivalent of the 1.3 percent surcharge in its rates and to eliminate the surcharge on top of the rates.

9. Landfill Contract

Under the current Rules of Procedure the Companies are required to submit a Notice of Intent to File [a Rate] Application several months before a new rate can take effect. DPW's rules allow shorter notice for applications submitted by the City. The City's landfill capacity under the current Altamont contract may be exhausted before the Companies submit their next rate application. In anticipation of that occurrence, the City may enter into new contracts for waste disposal and landfill transportation. Those new contracts could require the Companies to incur costs greater than those in the current application and consequent rate orders. The Companies therefore ask that a streamlined rate setting procedure be adopted that would allow the Rate Board and the Director of Public Works to order an interim rate adjustment if new contracts trigger additional costs prior to the next full rate proceeding.

10. Discount for E-Bill Customers

To encourage source reduction, E-bill customers will be credited \$1 for each bill presented and paid electronically. Costs associated with providing this discount to existing customers is included in the rate application. Costs for discounts provided to additional customers that sign up for paperless billing will be borne by the Companies, as the cost will be partially offset by cost savings associated with reductions in printing and postage costs and the Companies recognize that it is an important sustainability issue.

IV. PROPOSED RATE STRUCTURE

A. RATE-SETTING BASIS

The rate application is based upon the combined revenues and expenses of the Companies. Revenue requirements and a consequent tipping fee are calculated at Recology San Francisco, with the consequent disposal and processing costs passed through to the Collection Companies. The costs of the Collection Companies are then used to calculate the individual rates charges for collection services.

Revenues and expenses are provided in 2014 dollars.

B. REVENUE REQUIREMENTS

The Revenue Requirement for the Collection Companies represents an increase of 21.51 percent over current revenues received by the Collection Companies. However, the Revenue Requirement only represents an increase of about 9 percent over Rate Year 2011 revenues approved in the 2006 rate-setting process. The major components of the need for additional revenue are (1) the migration of service from trash (black stream) to recycling service (blue stream) and composting service (green stream), (2) recovery of inflationary cost increases, and (3) new programs to support zero waste initiatives and support clean city programs.

C. PROPOSED RATES

As described in Section III, the Companies are proposing that residential rates include (1) a fixed charge, (2) a volumetric trash charge, (3) a volumetric recycling charge, and (4) a volumetric composting charge. The proposed monthly residential rates for weekly weekday collection are:

Fixed Charge = \$5 per household dwelling unit

Volumetric Trash Charge = \$25.51 per 32-gallons of bin capacity

Volumetric Recycling Charge = \$2 per 32-gallons of bin capacity

Volumetric Composting Charge = \$2 per 32-gallons of bin capacity

The proposed monthly apartment rates for weekly weekday collection are:

Fixed Charge = \$5 per household dwelling unit

Volumetric Charge = \$25.51 per 32-gallons of bin capacity

Discount of up to 75% of volumetric charge based on diversion capacity percentage minus 10 percent

All volumetric charges for residential and apartment customers, respectively, are proportional to the 32-gallon rates.

D. BREAKDOWN OF COST COMPONENTS

Following is an approximate breakdown of operating costs for the Companies:

- Labor represents the largest Company cost. Labor and benefits amount to nearly 64 percent of total costs.
- The next largest category is truck-operating costs, which represent approximately 14 percent of total costs. Truck-operating costs include fuel, oil, repair and maintenance, licenses, and City permits.
- Disposal and recycling processing costs (exclusive of labor and benefits costs) account for about 6 percent of total costs.
- Facility operating and maintenance costs represent about 9 percent of costs. Facility costs cover Recycle Central and Tunnel and Beatty, including the iMRF, transfer station, Public Reuse and Recycling Area PRRA, Household Hazardous Waste Collection Facility, scale facilities, administrative offices, and maintenance and related operational facilities.
- The remaining 7 percent of total costs consist of supplies, professional services, contract services, information technology, environmental and safety compliance, human resources, and accounting.

E. BREAKDOWN OF REVENUE INCREASE

The costs described above result in a revenue increase requirement of 21.51 percent. The contribution of major items is as follows:

1. The collection revenue shortfall due to migration to diversion services and the economic slowdown increases the required revenues by 16.1 percent.
2. The recycling revenue shortfall due to lower quantities and lower prices increases the required revenues by 2.1 percent.
3. Migration of existing customers to greater recycling and composting services and service reductions initiated in response to changes in rate structure increases required revenues by 1.6 percent.
4. Additional funding of City Departments and assumption of the abandoned material collection program increases required revenues by 1.8 percent.
5. Zero waste and other initiatives (Brisbane recycling fee, black stream processing, Less-Than-Weekly testing) increase the required revenues by approximately 2.0

6. Decreases in other expenses decreases required revenues by 2.3percent.
7. Benefit cost savings decrease the required revenues by 1.1 percent.

V. CONCLUSION

The Companies and the City share a common goal of attaining Zero Waste by 2020. In striving to achieve that goal, the Companies are working to (1) implement a zero waste rate structure that is sustainable as trash bins are minimized and ultimately eliminated and (2) begin the challenging task of trash processing. The Companies believe that the revisions to the rate structure proposed for Rate Year 2014 will create the foundation for a sustainable revenue stream to support the programs as the City and the Companies continue to move towards their joint objectives of zero waste. The rate request for revenue adjustments reflect program and cost changes and satisfy the requirement of the governing ordinance that rates be “just and reasonable.”

Recology Sunset Scavenger and Recology Golden Gate Rate Schedules

<u>Description</u>	<u>Schedule</u>
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Contract Services Expenses	L.5
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Recology Sunset Scavenger/Recology Golden Gate
Schedule A
Residential and Apartment Refuse Rates
Effective July 1, 2013

Description of Monthly Charge	Charge
Rates for 1-5 Unit Residential Buildings	
Base Charge for Service	
Per dwelling unit	\$5.00
Trash Volume Charge for Weekly Collection	
20-gallon bin	\$15.94
32-gallon bin	\$25.51
Recycling Volume Charge for Weekly Collection	
32-gallon bin	\$2.00
Composting Volume Charge for Weekly Collection	
32-gallon bin	\$2.00
Low Income Discounts	
Households with income less than or equal to 150% of the poverty level may qualify for 25% base and volume discounts.	
Distance, Elevation and Key Charges	
No extra charge for collection less than 25 feet from curb. Distance charge per bin for collection from each 25 foot increment thereafter.	\$9.20
No extra charge for collection less than 4 feet elevation change from street level. Elevation charge per bin for collection from each 8 foot increment thereafter.	\$9.98
Weekly key use.	\$13.43
Distance, elevation and key charges are waived for customers with a permanent disability that pay for individual service and certify they are physically unable to place bins at the curb and no able-bodied persons live in their residence. Customer must place bins in a location as accessible as possible for collection.	
Rates for 6 Unit and Larger Apartment Buildings	
Base Charge for Service	
Per dwelling unit	\$5.00
Volume Charges for Weekly Collection	
Collection volume is charged equally for trash, recycling and composting. A landfill diversion discount equal to the diversion volume percentage less 10% is then subtracted, up to a maximum discount of 75%. Diversion volume percentage equals recycling and composting volume divided by total volume.	
32-gallon bin	\$25.51
1-cubic yard bin	\$161.01
Distance, Elevation, Key and Special Service Charges	
No extra charge for collection less than 100 feet from curb. Distance charge is 25% times volume charge (before diversion discount) for weekly collection from any additional distance. Distance is from curb to farthest bin.	
No extra charge for collection less than 4 feet elevation change from street level. Elevation charge is 25% times volume charge (before diversion discount) for weekly collection from elevation changes within each 8 foot increment thereafter. Elevation is from street level to farthest bin.	
Weekly key use.	\$13.43
An extra charge of 50% times volume charge (before diversion discount) applies for each trap door (collector must lift a cover and pull bins up to street level), clearing of a disposal chute, rake-out (disposal chute without a bin) or bin located on a ledge one foot or more above floor.	

**Recology Sunset Scavenger/Recology Golden Gate
Schedule A
Residential and Apartment Refuse Rates
Effective July 1, 2013**

Description of Monthly Charge	Charge
Additional Provisions and Requirements for all Customers	
Residential and apartment rates apply to single and multi-family homes, flats, apartments, condominiums, tenancies in common, in-law units, lofts, live/work spaces (unless clearly commercial), single room occupancy hotels (with an apartment license) and low income housing. Buildings with more than 600 rooms (not counting kitchens and bathrooms) or with bins 3 yards or larger or compactor service, mixed-use buildings without dedicated residential bins and all other buildings are charged commercial rates. Customer must provide accurate unit and room counts, subject to verification by Recology.	
City law mandates everyone must have adequate refuse service, pay for service on time and properly separate recyclables, compostables and trash. Minimum trash service is 20 gallons weekly for single-family and 16 gallons weekly per unit for multi-family buildings. Minimum service is 16 gallons weekly per unit for recycling and 4 gallons weekly for composting, unless there are no recyclables or compostables in the trash. Bins may be shared by dwelling units within one building if refuse service minimums are met. Apartment rates are for shared bins only.	
Recycling, composting and trash bins should be at the same location. Bins shall be unobstructed and placed for easy access so they can be used and serviced in a normal and safe manner, as determined by Recology.	
Refuse is to be in standard bins. Standard bin volume charges are linear. Loose material, overflow (lid must be closed), overweight (more than 2 pounds per gallon) or non-standard bins may be charged the next highest standard bin rate. Cardboard must be put in a bin, cardboard box or paper bags not exceeding 2 feet in any dimension, or else it may be charged \$5 per setout.	
Additional frequency charges are linear (weekly service charges are multiplied by the number of collections per week). 20-gallon bins are not serviced more frequently than once per week.	
Saturday service is 75% more than the applicable rate (including volume, distance, elevation, key and special service charges) for weekday service. For Saturday collection, at least 3 day per week service is required.	
Sunday service is 175% more than the applicable rate (including volume, distance, elevation, key and special service charges) for weekday service. For Sunday collection, daily service is required.	
Street level and curb is where vehicle must park to service customer's bins. Distance is measured from vehicle along service path to bins. Elevation is determined by adding all distances up and down along service path.	
Volume, distance, elevation, key and other charges are per location, regardless of number of trucks used for service. Charges may be split among customers at the same or adjoining locations at 150% of the otherwise applicable rate. If two or more customers split service charges, they will be applied to each billpayer equally or as designated by the customers, subject to approval by Recology.	
A key charge is applied each time weekly a key (including a key pad, combination lock, electronic door opener or other such entry mechanism) is required to enter or leave/secure premises, or unlock or relock containers (including having to get out of vehicle again even if no key is required, such as relocking frontload bins). A key charge will not be applied for relocking rearload or sideload bins.	
Contaminated recycling and composting bins may be charged as trash. Trash with excessive recyclables or compostables may be charged a 50% processing fee.	
Recology performs service audits from time to time and will adjust the service levels to reflect actual service being provided. It is the customer's responsibility to monitor all services and charges and notify Recology of any errors. Service adjustments or credits will not exceed 30 days or one billing cycle, whichever is greater, from the time of notification by the customer.	
Recology is responsible for normal wear of bins provided to customers. Customers are responsible for damaged bins beyond normal wear, reporting missing bins and excessive missing bins. Bin cleaning service is available with additional charges.	
\$20 will be charged to open a service account. Closing an account is only allowed for residency changes. Credit will be given for suspension of service (e.g., vacations) for more than two weeks. Customers must notify Recology of the suspension and restart dates before start of suspension. Base charges are not credited and an administrative fee of \$10 is charged to restart service after suspension.	
E-bill customers will be credited \$1 for each bill received and paid electronically.	
\$25 will be charged for each check returned for insufficient funds.	

Recology Sunset Scavenger/Recology Golden Gate
Rate Application, Schedule B.1
Rate Calculations - Total Revenues

	RY 2014
Operating Ratio Expenses	\$ 152,448,748
Calculated Operating Ratio Expenses	152,448,748
Allowed Operating Ratio	91.00%
Operating Expense with Operating Ratio	167,526,096
<u>Non-Operating Ratio Expense</u>	
Disposal Cost	39,298,185
Processing Cost	52,250,638
Impound Account	14,614,399
<u>Revenue</u>	
Non Rate Revenue	(18,548,561)
Apartment - Migration	1,287,547
Commercial - Migration	2,142,421
Paperless Bill Credit	180,400
Compactor Rate Adjustment	1,686,785
Residential - Change in 20-gal Volumetric Charge	1,257,219
Diversion Incentive (2% OR)	3,764,631
Net Revenue Requirement	265,459,760
Revenue @ Current Rates	218,470,842
Difference	46,988,919
Rate Increase	21.51%
Current 32-gallon can rate	\$ 27.91
Proposed 32-gallon can rate	\$ 33.91
Operating Expenses with 89% OR	171,290,728
Variance to 91% OR	3,764,631
Net Revenue Requirement @ 89% OR	265,459,760

Recology Sunset Scavenger/Recology Golden Gate
Rate Application, Schedule B.2
Rate Calculations - Residential Revenues

	RY 2014
Operating Ratio Expenses	\$ 152,448,748
Calculated Operating Ratio Expenses	152,448,748
Allowed Operating Ratio	91.00%
Operating Expense with Operating Ratio	167,526,096
<u>Non-Operating Ratio Expense</u>	
Disposal Cost	39,298,185
Processing Cost	52,250,638
Impound Account	14,614,399
<u>Revenue</u> (see Schedule B.3)	
#REF!	(148,415,519)
Apartment New Structure	(11,077,076)
Apartment Revenue	(51,501,892)
Residential New Structure - Fixed Charge	(9,795,720)
Residential New Structure -Blue & Green Charge	(8,300,829)
Residential - Change in 20-gal Volumetric Charge	1,257,219
Apartment - Migration	1,287,547
Commercial - Migration	2,142,421
Paperless Bill Credit	180,400
Compactor Rate Adjustment	1,686,785
Diversion Incentive (2% OR)	3,764,631
Net Revenue Requirement	54,917,284
Revenue @ Current Rates	60,089,686
Difference	(5,172,402)
Rate Decrease	-8.61%
Current 32-gallon can rate	\$ 27.91
Proposed 32-gallon can rate	\$ 25.51
Operating Expenses with 89% OR	171,290,728
Variance to 91% OR	3,764,631
Net Revenue Requirement @ 89% OR	54,917,284

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule B.3
Revenue Detail

Note

Non Residential Revenue (Schedule B.2)

Commercial	85,696,838	Schedule F.1
Compactor	23,604,572	Schedule F.1
Debris Box Revenue	13,560,585	Schedule F.1
Equipment & Supply Sales	796,755	Schedule F.1
CalRecycle Payment	312,670	Schedule F.1
Miscellaneous Income	216,405	Schedule F.1
Special Reserve (Commercial)	1,240,000	Note 1
Increase in Commercial Revenue	22,987,695	Note 2
Non Residential Revenue	148,415,519	

Note 1 - Special Reserve

Apartment Residential Commercial	590,000	RY 2012 Actual
	750,000	RY 2012 Actual
	1,240,000	RY 2012 Actual
Total Special Reserve	2,580,000	Schedule F.1

Note 2 - Increase in Commercial Revenue

Commercial	85,696,838	Schedule F.1
Compactor	23,604,572	Schedule F.1
Special Reserve (Commercial)	1,240,000	Note 1
Contract Accounts	(3,662,146)	Schedule F.1
Commercial Revenue subject to Rate Increase	106,879,264	
Projected Increase %	21.51%	Schedule B.1
Projected Increase in Commercial Revenue	22,987,695	

Apartment New Structure

11,077,076 Projected increase in apartment revenue resulted from the proposed new structure.

Assumptions for Apartment New Structure

\$5 per Dwelling Unit, Up to 75% Recycling Discount, Rate Increase Capped at 25% in year 1
 Volumetric charges equal to \$25.51 per 32 gallons of weekday service, consistent with the residential black bin charge. Same rates apply to all bins. Discounts of up to 75% are calculated from each customer's diversion percentage as a percentage of total volume, less 10%. Revenue impact of the new structure is calculated from each individual customers' current service volume and configuration.

Apartment Revenue

Apartment Revenue at current rates	50,911,892	Schedule F.1
Special Reserve	590,000	
Apartment Revenue	51,501,892	

Recology Sunset Scavenger/Recology Golden Gate
Rate Application, Schedule B.3
Revenue Detail

Note

Residential New Structure - Fixed Charge		
Number of Residential Dwelling Units	165,000	
Proposed Monthly Charge of \$5 per Dwelling Unit	60	\$5 monthly charge x 12
Residential New Structure - Fixed Charge	9,900,000	
25% Discount to Lifeline Customers	(104,280)	6.952 units subject to lifeline x 1.25/month x 12
Residential New Structure - Fixed Charge	9,795,720	

Residential New Structure - Blue & Green Charge		
Charge for Blue & Green Carts	8,386,104	Note 3
25% Discount to Lifeline Customers	(85,275)	Note 4
Residential New Structure - Blue & Green Charge	8,300,829	

Note 3 - Charge for Blue & Green Carts	
32-gal Recycling/Composting Carts	5,308,320
64-gal Recycling/Composting Carts	2,390,544
96-gal Recycling/Composting Carts	687,240
	8,386,104

Number of 32-gal Recycling/Composting Carts	221,180	
Annual Charge per Cart	24	\$2 monthly charge x 12
	5,308,320	

Number of 64-gal Recycling/Composting Carts	49,803	
Annual Charge per Cart	48	\$4 monthly charge x 12
	2,390,544	

Number of 96-gal Recycling/Composting Carts	9,545	
Annual Charge per Cart	72	\$6 monthly charge x 12
	687,240	

Note 4 - 25% Discount to Lifeline Customers		
Total Recycling/Composting gallons	454,800	
Gallon Base for Cart Charge	32	
Equivalent number of 32-gal carts	14,213	
Annual Charge per 32-Cart	24	\$2 monthly charge x 12
Charge at Regular Rate	341,100	
25% Discount	(85,275)	

Residential - Change in 20-gal Volumetric Charge	
Current Rate for 20-gal Cart	21.49
New Rate for 20-gal Cart	17.44
Reduction in Revenue due to Change in 20-gal Volumetric Charge	(4.05)
Number of 20-gal Cart	25,896
Reduction in Monthly Charge	(104,768)
# of Months	12
Annual Reduction in Revenue due to Change in 20-gal Volumetric Charge	(1,257,219)

Proportional to 32-gal monthly rate (\$27.91 / 32 x 20)

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule B.3
Revenue Detail

Note

Apartment - Migration	
Projected Revenue Base	51,501,892
% of Base Revenue Lost due to Service Changes	-2.5%
Apartment - Migration	<u>(1,287,547)</u>

Commercial - Migration	
Projected Revenue Base	85,696,838
% of Base Revenue Lost due to Service Changes	-2.5%
Commercial - Migration	<u>(2,142,421)</u>

Compactor Rate Adjustment (Schedule B.1)
 Step 1: Calculate Sunset Rate Increase without Compactor Adjustment

	RY 2014
Operating Ratio Expenses	152,448,748
OR	91%
Operating Expense with Operating Ratio	167,526,096
Non-Operating Ratio Expense	39,298,185
Disposal Cost	52,250,638
Processing Cost	
Less: Other Commercial Revenues	(14,886,415)
Contract Revenues	(3,662,146)
Apartment - Migration	1,287,547
Commercial - Migration	2,142,421
Paperless Bill Credit	180,400
Residential - Change in 20-gal Volumetric Charge	1,257,219
Impound Account	14,614,399
Diversion Incentive	3,764,631
Net Revenue Requirement	263,772,975
Revenue @ Current Rates	218,470,842
Difference	45,302,134
RSS/RGG Rate Increase w/out Compactor Adjustment	20.74%

Step 2: Calculate Compactor Rate Increase Based on Above Sunset Rate Increase and	
RSS/RGG Rate Increase w/out Compactor Adjustment	20.74%
RSF Rate Increase	6.45%
Compactor Rate Increase	50.00%
Hauling	50.00%
Disposal	50.00%
Calculated Compactor Rate Increase	13.59%
Difference in Rate Increase	7.15%
RSS/RGG Compactor Revenues	23,604,572
Compactor Rate Adjustment	1,686,785

**2013 RATE APPLICATION
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Schedule C

Recology Sunset Scavenger
Recology Golden Gate

Recology Sunset Scavenger/Recology Golden Gate Schedule C – Summary of Significant Assumptions

The following schedule describes the projected revenues and expenses for Recology Sunset Scavenger and Recology Golden Gate (“the Companies”) as well as the assumptions underlying those projections.

I. PROGRAMS

A. Overview

The trash, recycling, and composting collection programs currently operated by the Companies will continue without significant changes in Rate Year 2014 (RY2014). Assumptions associated with these programs, including proposed changes, are described in the following sections. The total tonnage collected by the Companies is based on tonnage for the twelve months ending January 2013, with the exception of (1) the trended reduction in trash tonnage from continued migration to recycling and composting services and (2) the addition of tonnage from abandoned materials collection.

B. Fantastic 3 Trash and Recycling

A total of 132 Fantastic 3 trash and recycling co-collection routes are assumed for the projected rate period. The number of co-collection routes is expected to remain relatively constant through the rate period, even with continued migration towards diversion services, as most of the growth in diversion is in composting.

C. Fantastic 3 Composting

The continued expansion of the composting program has led to an increase in the number of composting routes. The last rate setting process assumed 29 Fantastic 3 composting routes in 2011. There are currently 31 Fantastic 3 composting routes. The number of Fantastic 3 composting routes is not projected to increase during the rate period, even with continued migration towards diversion services. As the utilization of composting service increases it will become necessary to adjust routes to respond to increased demand.

D. Commercial Recycling

The Companies currently operate 14 commercial recycling routes per day. As commercial customers adjust to the revised rate structure there may be some migration towards recycling services, but routing efficiencies should allow the Companies to absorb any change in the customer composition or volume of materials. The total number of commercial recycling routes is not projected to change during the rate period.

E. Commercial Composting

The Commercial Composting program is currently operating with 18 routes per day. The program is expected to continue growing as more customers convert trash service to composting service. 1 additional route is included in the projection for RY 2014.

F. Bulky Item Recycling

The bulky item recycling program, which allows for convenient collection of over-sized items, is available to residential ratepayers (two service appointments per customer per year) and to apartment owners and tenants (one service appointment per unit plus one building appointment per year). A significant percentage of materials collected in this program are diverted. The program accepts appliances, electronics, mattresses, furniture, scrap metal, wood, etc. The program currently operates with an average of about 8 trucks and 8 drivers per day. The program made approximately 32,800 stops during RY 2012 and collected approximately 4,150 tons of material. We currently do active outreach and therefore expect to remain at this level through the upcoming rate period.

G. Public Litter Cans

The Companies service all public litter cans on a daily basis within regularly assigned collection routes. In addition to that first collection, the Companies collect many of the public litter cans in the downtown area and the business corridors one to four additional times per day. The Companies currently operate 10 dedicated public litter can routes. In addition to the first pass collection and multi pass routes, the Companies utilize a dedicated rover truck in the downtown shopping district during the holiday season and for events in order to empty public litter cans which require additional service. The Companies have coordinated with the City's 311 dispatch system and are committed to servicing, within a two hour window, any public litter can reported as needing service. The Companies have offered to provide additional support to DPW for City can maintenance, including replacement of liners, locks, and broken doors. Supplies would be provided by DPW and Recology would provide this service without adding personnel.

H. District and Special Clean-up Events

The rate application includes costs for two annual clean-ups in each Supervisorial District. Additional driver time and tonnage is included in the expense projections to accommodate the expanded schedule. The program has also been expanded to include a compost give-away for residents in each District. In addition, the Companies are periodically asked to provide additional service to support community clean-up activities (coastal clean-up, Arbor Day, etc.).

I. Abandoned Materials Collection

The Companies have proposed, at the request of the City, the assumption of the majority of the abandoned materials collection program currently operated by DPW. This proposed program includes the collection of items identified through the City's 311 reporting system, along with abandoned materials identified by Company personnel. The program will be operated similar to the Bulky Item Recycling program, with utilization of five rear-loading packer trucks, five box vans (mattresses, electronics, appliances, etc.), and one pickup. Each crew would consist of two

drivers, one in a rear loader and one in a box van. Drivers would be assigned to a specific service area, and would be routed to collect abandoned materials reported through the 311 system, along with any abandoned materials present on their routes, even if it is not part of the 311 calls. All stops and collections will be documented. This program structure will improve collection and diversion of abandoned materials.

In addition to collection of materials related to 311 calls, the abandoned materials program will provide support for events identified by the City, including selected parades, festivals and holidays. The rate application includes all program costs, including 10 drivers each weekday, 8 on Saturday, and 6 on Sunday, supervision and administrative support, vehicle costs, and disposal costs corresponding to expected tonnage.

II. REVENUES

A. Residential Rates

As discussed in the Narrative Summary included with this application, the Companies are proposing to change the residential rate structure. The new rate structure for residential customers includes a nominal charge of \$2.00 per 32 gallons of capacity for recycling and composting streams. This charge is not expected to impact the level of recycling and composting service provided. Customers are still incentivized to move towards recycling and composting service as the proposed volumetric charge for these services is substantially less than the proposed volumetric charge for trash service.

In addition to the variable cost changes described above, the Companies are proposing a fixed charge of \$5.00 for each residential dwelling unit to be included in the new residential rate. The fixed charge is intended to cover some of the fixed system costs related to the provision of residential services, including capital costs, administrative costs, and regulatory costs.

Individual residential customer rate increase percentages will vary depending on their respective volume and composition of service. Customers that in the past have received additional diversion services without a specific charge related to that service may see rate increases greater than the average increase. Residential rates are calculated to generate 21.51% additional revenue. The rate application includes, after adjusting for the revenue generated by the fixed charge and blue and green charges above, a single 32-gallon black bin rate of \$25.51 per month.

The variable cost for 20-gallon trash service is revised to reflect a proportional volumetric charge for that service. The cost for the 20-gallon bin is 62.5% of the cost of a 32-gallon black bin, revised from 77% previously. Other charges, including the \$5.00 per dwelling unit charge and volumetric charges for the recycling and composting services, will apply to 20-gallon customers.

B. Apartment Rates

The Companies are proposing to implement a discounted volumetric apartment rate structure patterned after the commercial rate structure adopted in 2006. The new structure includes a fixed charge and equal volumetric charges for all service volumes, irrespective of the type of service. These charges are partially offset by discounts for recycling and composting service. The details of the proposed apartment rate structure are summarized below. Due to the change in structure

and the widely varying levels of service for individual customers, individual increases may be more or less than the 21.51% increase requested.

The proposed structure includes a \$5.00 per dwelling unit fixed charge component. This charge is the same as the fixed charge proposed for residential customers. The fixed charge for each dwelling unit is intended to cover some of the fixed system costs related to the provision of services for apartment customers, including capital costs, administrative costs, and regulatory costs.

In addition, the proposed structure includes volumetric charges equal to \$25.51 per 32 gallons of weekday service, irrespective of type of service. This volumetric charge applies to all service volumes and is consistent with the residential black bin charge. The resulting calculated gross revenue is partially offset by the discounts available for diversion services, as described below.

Discounts of up to 75% are calculated from each customer's diversion percentage as a percentage of total volume, less 10%. The first 10% of diversion is not eligible for a discount due to the fact that there is a minimum level of diversion service required by the mandatory recycling and composting ordinance. As an example, if a customer has 3 equal size containers (one for each of the black, blue and green streams) they have 67% diversion capacity. The discount they would receive on their volumetric charges is 57% (67% - 10%). If the customer added another recycling bin, the diversion discount would become 65% (75% - 10%).

As a result of the change in rate structure, the Companies are anticipating that apartment customers will move from trash service to diversion services and will reduce overall service levels to manage their cost and mitigate rate increases. The Companies have included in the application a revenue reduction for migration estimated at 2.5 percent of existing apartment revenue before rate adjustments and are anticipating additional migration in subsequent years.

To partially mitigate the impact of implementing this structural change, the Companies are proposing to include a two-year cap for all apartment customers. The first-year cap would limit the increase under the new structure to 25 percent of current charges, moving to 50 percent in the second year, and finally 100 percent, or the full effect of the structure, in the third year. The caps will allow ample time for customers to embrace the new structure and adjust service levels to mitigate further rate increases. It is anticipated that changes to service levels and configuration will offset any additional revenue generated by the removal of the caps.

C. Disabled Service

The rate application continues the disabled service program. This program provides for a waiver of key, distance, and elevation charges for disabled or elderly infirm persons if no able-bodied person resides with such persons.

D. Low Income Discounts

The low income discount program will continue. The program will charge low income customers 75 percent of regular service rates, based on their service configuration. Eligibility documentation for customers and verification procedures for the Companies will remain the same.

E. Commercial Rates

The Companies are implementing some minor changes to the commercial rate structure. The changes are designed to maintain a sustainable revenue stream within the context of movement towards zero waste, along with creating new incentives to drive further diversion by commercial customers. Commercial revenues are expected to increase as a result of the structural changes and are included in the rate model as a reduction of the revenue requirement used to calculate residential and apartment revenue requirements. Commercial rates will be adjusted to allow for an overall increase approximately equal to the final approved residential and apartment revenue increases.

The fixed rate is moving from 5% to 10% of each commercial bill. This change moves the fixed cost component closer to the actual fixed cost as a percentage of total cost. The variable component is correspondingly changed from 95 percent to 90 percent of each commercial bill.

Discounts of up to 75% of the variable component of the commercial billings are still available based on the proportion of diversion service in excess of 10% and up to 85% of total volume. The first 10% of diversion is no longer eligible for a discount due to the fact that there is a minimum level of diversion service required by the mandatory recycling and composting ordinance. For example, if a commercial customer has one 96-gallon bin for trash, one for recycling, and one for composting, all collected once a week, then total diversion volume represents 67 percent. The discount for this customer would be 57% (67% - 10%). If a customer has one 2-cubic yard bin for trash, one 1-cubic yard bin for recycling, and one 1-cubic yard bin for composting, all collected once a week, then total diversion volume is 50 percent and the discount would be 40% (50% - 10%).

As a result of the change in rate structure, the Companies are anticipating that commercial customers will move from trash service to diversion services and will reduce overall service to manage their cost. The Companies have included in the application a revenue reduction for migration estimated at 2.5 percent of existing commercial revenue before rate adjustments Companies

F. Debris Box Service

Debris box revenues are projected based on the latest twelve months revenue. They are assumed to remain flat through the rate period and will be adjusted with the COLA mechanism in future periods.

G. Other Revenues

The Companies offer compactor and related equipment sales and maintenance for the San Francisco region. Customers wishing to acquire specialized refuse equipment have the option of purchasing, renting, or leasing the necessary equipment from the Companies. The Companies also provide maintenance service for refuse equipment at customers' expense. These revenues are shown separately and serve as an offset to the revenue requirement for regular service.

H. Impound Account

Contributions to the Impound Account are based on the program and payment requirements for the City's Department of the Environment and Department of Public Works. Payments from the Companies will be deposited into the Impound Account on a monthly basis.

I. Operating Ratio

The rate application utilizes a base operating ratio (OR) of 91 percent, along with Zero Waste Incentives equivalent to up to two percent OR if the Companies achieve targets, as described in the Narrative Summary.

J. Special Reserve Surcharge

The Special Reserve Fund has reached its minimum target level of \$15 million. Therefore, the Companies are proposing to discontinue the 1.3% volumetric surcharge, which is currently being utilized by DPW for waste management programs.

III. EXPENSES

A. Wages

Union wages are based on ratified union contracts that run through December 31, 2016. The union wages included in the application contain COLAs of 3% effective as of July 1, 2013 and January 1, 2014. The actual contractual COLAs are between 3% and 5%, and any increase in excess of the 3% minimum will be borne by the Companies. Future increases will be included in the COLA described in the Narrative Summary.

B. Payroll Taxes

Payroll taxes are projected based on current city, state, and federal tax rates.

C. Health and Welfare (including Postretirement)

Health and welfare programs are offered to Recology employees through several service providers include medical, prescription drug, dental, and vision coverage, as well as long-term disability and life insurance.

During the last several years the Companies have experienced significant increases in the cost of health care coverage. The current cost of coverage is over \$1,900 per employee per month and is expected to exceed \$2,000 per month in rate year 2014.

The Companies have implemented changes to the non-union health benefits in an effort to control costs, including increased co-payments and benefit reductions. Union programs are governed by the contractual obligations and program changes are limited.

The projected cost contained in the rate application for health and welfare benefits is based on the 2013 costs, inflated by 6.6% for the second half of the year (health insurance rates are set on

a calendar year basis and adjusted for rate years). The 6.6% inflation factor was developed by the Companies' outside actuaries and is based on historical cost increases.

The health and welfare cost projections include a reinsurance fee expected in 2014 as part of the Affordable Care Act. Early this year in March, Health and Human Services (HHS) finalized its regulations regarding the reinsurance fee. This fee applies to all employer group health plans starting in 2014. It is expected that for 2014, the fee will be in the range of \$60-\$110 per year, per covered life (not just per employee). Postretirement costs in the rate application represent the cost of participation in the Teamsters Benefit Trust sponsored Retirement Security Plan (RSP). The RSP provides postretirement medical benefits for union members qualifying for retirement under terms of the collective bargaining agreements. The RSP cost is paid monthly for each eligible employee. The costs have increased approximately 12% per year over the last few years. The current monthly cost of the base program is \$441.93 per month and is expected to increase by 11% to \$490.54 as of July 1, 2013.

In addition to the base RSP program, the Companies agreed to provide a supplemental RSP benefit, in exchange for elimination of the Recology Rule of 84 postretirement medical benefit (Rule of 84 Benefit). The supplemental RSP benefit reflects program changes designed to make the RSP mirror the Rule of 84 Benefit. This results in an additional premium of 10% of the base cost of the RSP, or approximately \$49 per month per employee during the rate period. The total cost of approximately \$300,000 is offset by savings of \$3.7 million, based on the 2011 cost of the Rule of 84 Benefit program.

D. Pension

Pension costs are based on projected contributions required to meet Employee Retirement Income Security Act ("ERISA") pension plan funding requirements as determined by the Companies' pension plan actuary. During the last few years, the Companies, through their parent Company, Recology Inc., have made increased pension contributions, in an effort to improve the funding status and health of the Recology sponsored pension plan. The Companies' share of the contribution in RY 2012 was \$20 million, up from an average of \$10.9 million during the last five year rate period. Recology has also frozen the Plan with respect to new non-union personnel, who now participate in a defined contribution plan that is not subject to fluctuating funding requirements.

Contributions are expected to be \$14.5 million in RY2013 and \$12.9 million in RY2014. It is expected, based on actuarial analysis from Recology's third party actuaries, that future contributions will be stable at approximately \$13 million based on current expectations for discount rates, returns on assets and relatively static employment levels.

E. Workers' Compensation

Workers' compensation expense covers the costs associated with workers injured on the job. These costs arise from temporary and permanent disability, medical care and medical evaluation, claims administration, insurance premiums, legal fees, and ancillary administrative functions. The Companies participate in a risk pool with all other Recology operating companies.

Workers' compensation rates and allocations are established based on the specific historical experience of each Company as prepared by a third-party administrator.

Workers' compensation costs have risen in general over the past several years due to increases in the indemnity payments and the return of double-digit medical inflation. Changes in legislation that led to decreases in some areas in the mid 2000s have been undercut by increases in benefits attributed to recent court decisions, and more liberal rules regarding disputes and appeals. The Companies are continuing to focus on safety training, return to work programs, and improvement in work processes. In spite of those efforts, workers compensation costs remain high and are expected to increase during the rate period. The cost of workers compensation is expected to increase approximately 10.0 percent in 2013 and 9.8 percent in 2014.

F. Liability Insurance

The Companies participate in a risk pool with all other Recology operating companies to cost effectively manage the Recology insurance program. Liability insurance premium projections are based on information provided by the Companies' insurance brokers and actuaries, along with projected claims costs associated with fleet operations. Claims costs are allocated to the Companies based on their individual claims experience. Other costs are allocated based on a series of measures developed to reflect each participating company's relative size and risk profile.

G. Disposal Costs

Disposal costs are determined based on the estimated disposal tonnage and the projected tipping fee at Recology San Francisco. The estimated disposal tonnage is based on current tonnage collected, with disposal tonnage adjusted downward for increases in recycling and composting services as well as additional black bin processing. See Recology San Francisco Schedule C for a more detailed discussion of disposal costs.

H. Repairs and Maintenance

Projected costs related to repair and maintenance of vehicles are calculated based on the average costs from RY2010 through RY2012, inflated by 2.2% for the rate application period.

I. Fuel

Fuel costs continue to be volatile and have changed (up and down) dramatically over the last several years. Fuel costs for the rate application period are based on the average actual costs from the last 12-month period (February – January). Fuel costs are based on \$3.95 per gallon for Bio-diesel, \$3.65 unleaded gasoline, and \$1.29 per gallon equivalent for LNG. The Companies are continuing the effort to replace the fleet with CNG fueled vehicles. CNG costs in the rate application are based on RY2012 price, inflated by 2.0% in RY2013 and 2.2% in RY2014, adjusted for the 60 CNG trucks expected during the 2014 rate period. The cost per gallon equivalent for CNG is projected at \$2.37 in RY2014.

J. Licenses and Permits

Licenses and permits include costs for Department of Motor Vehicle registrations, Department of Public Health license fees, and Department of Public Works debris box permits. Costs for Department Public Health license fees are based on actual amount paid in 2013. Costs for other licenses and permits for rate years 2013 and 2014 are expected to increase with inflation (2.0% and 2.2%, respectively) from 2012 levels.

K. Recycling and Composting Processing

The processing fees for recyclables are projected based on the tipping fee and the estimated tonnage processed at Recycle Central. The processing fees for compostables are based on the tipping fee charged at RSF and estimated tonnage to be delivered.

L. Professional and Contract Services

Professional services costs for legal and general services are based on the average costs from RY2011 and RY2012, inflated by 2.2%. Accounting and engineering fees are based on RY2012 actual, adjusted for 2.0% and 2.2% inflation for RY2013 and RY2014, respectively. In addition, costs associated with the rate application and rate implementation are included in the rate application period. While this rate covers a one-year period, the Companies are proposing to amortize these costs over three years. Contract services costs are based on RY2012 costs, reduced by lower temporary replacement, and inflated by 2.0% and 2.2% for rate years 2013 and 2014, respectively.

M. Corporate Services

Human Resources (HR) provides benefits, employment law, employee training and employee management support services. The cost projections are based on RY2012 costs associated with Recology's HR Department, adjusted for inflation. These costs are allocated to the Companies based on the percentage of their employees proportional to the total Recology employee count.

Corporate Management provides general operations and corporate support services. Corporate Management cost projections are based on RY2012 costs of management services provided by the Corporate Office, adjusted for inflation. These costs are allocated to the Companies based on their percentage of Recology's total revenue.

Environmental Compliance provides planning, permitting and compliance support services. Environmental Compliance costs are based on RY2012 costs of Recology's Environmental Compliance Department, adjusted for inflation. These costs are allocated to the Companies based on their percentage of Recology's total revenue.

Information Technology (IT) provides systems development and support for all technologies, including computers, phones, etc. IT costs are based on the RY2012 costs of Recology's Information Technology Department, adjusted for inflation. These costs are allocated to the Companies based on series of measures that approximate computer usage — the percentage of Recology's checks written and customer counts that are attributable to the Companies.

Corporate Accounting provides audit, internal audit, treasury, and other financial services. Accounting costs are based on the RY2012 costs of Recology's Finance Department, adjusted for inflation. These costs are allocated to the Companies based on their percentage of Recology's total revenue.

Sustainability provides support for sustainability issues, including emerging technologies, green energy and water initiatives, and regulatory support related to sustainability and air, water, and land use issues. Sustainability costs are based on RY2012 costs, as adjusted for inflation. Sustainability costs are allocated to the Companies based on their percentage of Recology's total revenue.

N. Office, Telephone, and Supplies Expense

Costs related to telephone and office expenses are based on the RY2012 cost, adjusted for inflation at 2.2% annually. Supplies expense is based on an average from the last three rate years (RY2010 – RY2012), inflated 2.0% and 2.2% for rate years 2013 and 2014, respectively, along with additional supplies for the Abandoned Materials Collection and Less-Than-Weekly-Service project.

O. Property Rental

Property rental costs are included for leasing off-site office space for customer service and administrative operations.

P. Other Expenses

Other expenses include community outreach, medical expenses, shoes and uniforms, bank service charges, and other miscellaneous items. Community outreach costs include cost of working with community groups to promote zero waste initiatives and promote Recology and City recycling and composting programs.

Q. Capital Expense

Capital requirements for trucks, equipment and leasehold improvements are projected based on the replacement schedule and anticipated facility and program needs. Costs are added as equipment is acquired and leased over specified lease years. Generally, lease terms are assigned as follows:

Trucks and Rolling Equipment	7 years
Stationary Equipment	10 years
Facility Improvements	15 years

The lease rates are calculated based on the asset lives shown above utilizing an implicit interest rate of 3.71%. The interest rate is reset on a monthly basis, based on the cost of capital for Recology. The Companies believe adequate financing will be available for all capital

expenditures from Recology's line of credit, lease lines with third party lessors, and/or California Pollution Control Financing Authority financing.

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule F.1
 Historical and Projected Revenues

	Actual						Projected		Rate Application	
	RY 2007	RY 2008	RY 2009	RY 2010	RY 2011	RY 2012	Change	RY 2013	Change	RY 2014
Residential										
Number of Customers	140,469	140,780	140,959	141,000	140,898	141,244		141,244		141,244
Annual Revenue	\$ 50,534,511	\$ 53,637,112	\$ 57,305,841	\$ 58,048,950	\$ 60,843,563	\$ 60,134,857	\$ (227,016)	\$ 59,907,841	\$ (568,155)	\$ 59,339,686
Revenue per Customer	\$ 360	\$ 381	\$ 407	\$ 412	\$ 432	\$ 426		\$ 424		\$ 420
Apartment										
Number of Customers	9,907	9,831	9,946	8,557	8,591	8,685		8,685		8,685
Annual Revenue	\$ 41,866,528	\$ 47,755,360	\$ 50,182,502	\$ 49,511,855	\$ 52,335,988	\$ 51,259,903	\$ (348,011)	\$ 50,911,892	\$ (348,011)	\$ 50,911,892
Revenue per Customer	\$ 4,226	\$ 4,858	\$ 5,046	\$ 5,786	\$ 6,092	\$ 5,902		\$ 5,862		\$ 5,862
Commercial										
Number of Customers	16,125	16,134	16,094	15,944	16,258	16,533		16,564		16,564
Annual Revenue	\$ 88,141,437	\$ 92,137,850	\$ 93,304,216	\$ 88,710,499	\$ 89,566,249	\$ 86,116,565	\$ (419,727)	\$ 85,696,838	\$ (419,727)	\$ 85,696,838
Revenue per Customer	\$ 5,466	\$ 5,711	\$ 5,797	\$ 5,564	\$ 5,509	\$ 5,209		\$ 5,174		\$ 5,174
Compactor Commercial										
Number of Customers	242	240	239	242	235	229		229		229
Annual Revenue	\$ 20,611,834	\$ 21,199,587	\$ 22,739,843	\$ 23,246,193	\$ 23,579,715	\$ 23,211,186	\$ 393,386	\$ 23,604,572	\$ (393,386)	\$ 23,604,572
Revenue per Customer	\$ 85,173	\$ 88,332	\$ 95,146	\$ 96,059	\$ 100,339	\$ 101,359		\$ 103,077		\$ 103,077
REVENUE SUBJECT TO RATE - TOTAL:	\$ 201,154,307	\$ 214,729,909	\$ 223,532,401	\$ 219,515,497	\$ 226,325,515	\$ 220,722,511		\$ 220,121,143	\$ (568,155)	\$ 219,552,988
Revenue not Subject to Rate Increase:										
Sludge Contract	\$ 2,114,684	\$ 2,318,337	\$ 1,100,229	\$ -	\$ -	\$ -		\$ -		\$ -
Debris Box Revenue	18,424,655	19,526,464	16,021,892	12,340,296	12,399,085	13,332,296	228,289	13,560,585	(127,926)	13,560,585
Equipment & Supply Sales	822,283	872,186	1,028,270	1,720,966	1,010,285	924,681		796,755		796,755
CalRecycle Payment								312,670		312,670
Miscellaneous Income	133,903	137,719	99,137	138,391	241,393	190,062	26,343	216,405		216,405
REVENUE NOT SUBJECT TO RATE - TOTAL:	\$ 21,495,525	\$ 22,854,706	\$ 18,249,528	\$ 14,199,653	\$ 13,650,763	\$ 14,447,039		\$ 126,706	\$ (568,155)	\$ 14,886,415
TOTAL REVENUE:	\$ 222,649,832	\$ 237,584,615	\$ 241,781,929	\$ 233,715,150	\$ 239,976,278	\$ 235,169,550		\$ 235,007,557	\$ (568,155)	\$ 234,439,402
Less: Other Commercial Revenues										
Contract Revenues										
Subtotal:										
Special Reserve										
Revenue at Current Rates Per Application:										\$ 218,470,842

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule F.2
Impound Account

Description	Projection	Rate Application
	RY 2013	RY 2014
San Francisco Department of the Environment	8,226,638	8,893,753
San Francisco Department of Public Works	3,976,074	5,720,646
Total Impound Account	12,202,712	14,614,399

Recology Sunset Scavenger/Recology Golden Gate
Rate Application, Schedule D
Total Operating Expenses

Item Description	Sch Ref	RY 2007 - RY 2012										Inflation			RY 2013			RY 2014		
		Actual RY 2007	Actual RY 2008	Actual RY 2009	Actual RY 2010	Actual RY 2011	Actual RY 2012	Actual (Jul-Jan)	Annualized Actual (Jul-Jan)	Changes from Annualized Actual	Projected Expense	Changes from RY 2013	Projected Expense	%	Projected Expense	Changes from RY 2013	Projected Expense	%		
		\$	\$	\$	\$	\$	\$	\$	\$	%	\$	\$	\$	%	\$	\$	\$	%		
Payroll	G.1	47,986,144	50,733,811	51,937,894	53,614,084	54,082,057	56,712,272	33,267,589	57,030,153	1,011,582	1.8%	58,041,734	5,670,667	10.1%	63,912,402	5,870,667	10.1%	69,784,070	5,870,667	10.1%
Payroll Taxes		3,698,975	3,991,436	4,087,801	4,192,071	4,271,753	4,396,862	2,593,158	4,428,271	110,783	2.5%	4,599,054	459,105	10.3%	4,996,189	397,135	8.6%	5,393,324	397,135	8.6%
Pension	G.2	13,867,653	12,129,969	9,125,513	9,523,853	9,643,853	20,004,212	8,433,948	14,459,196	73,054	0.5%	14,531,250	(1,644,500)	-11.3%	12,866,750	(1,674,500)	-11.3%	12,866,750	(1,674,500)	-11.3%
Health Insurance	G.3	13,229,173	15,339,326	13,631,507	15,297,531	16,927,217	15,126,328	8,469,786	14,519,633	3,914,605	13.2%	16,434,238	2,341,415	14.2%	18,775,653	2,341,415	14.2%	18,775,653	2,341,415	14.2%
Workers Compensation	G.4	5,409,943	4,341,602	5,217,010	4,750,169	4,418,552	4,690,671	2,562,210	4,418,552	1,112,522	23.6%	5,830,596	416,471	7.1%	6,247,068	416,471	7.1%	6,247,068	416,471	7.1%
Total Payroll & Related		84,131,889	86,536,144	83,998,725	87,377,728	89,949,828	99,890,681	55,506,691	95,154,327	4,222,545	4.4%	99,376,872	7,443,159	7.5%	106,820,031	7,443,159	7.5%	106,820,031	7,443,159	7.5%
Bad Debt		438,796	287,699	603,184	463,459	472,749	524,330	294,261	504,447	(16,117)	-3.2%	498,330	-	0.0%	498,330	-	0.0%	498,330	-	0.0%
Bridge Tolls		77,119	84,590	40,433	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building & Facility Repair	L.5	225,029	346,760	198,745	230,824	242,183	143,540	80,778	138,477	67,039	48.4%	205,516	67,039	48.4%	210,037	67,039	48.4%	210,037	67,039	48.4%
Contract Services	M.2	711,023	563,970	481,952	718,612	794,859	724,595	605,921	794,859	(342,614)	-33.0%	696,108	15,314	2.2%	711,423	15,314	2.2%	711,423	15,314	2.2%
Corporate Accounting Services	M.2	1,374,666	1,484,214	1,585,046	1,803,788	1,835,514	1,644,895	880,834	1,510,000	190,821	12.6%	1,700,822	57,828	3.4%	1,758,650	57,828	3.4%	1,758,650	57,828	3.4%
Corporate Management	M.2	1,629,004	1,117,701	1,585,312	1,864,432	1,199,336	1,235,347	663,879	1,172,363	104,982	9.0%	1,277,346	43,430	3.4%	1,320,775	43,430	3.4%	1,320,775	43,430	3.4%
Depreciation	H.1	268,662	261,392	258,184	235,076	219,523	231,977	146,770	251,306	34,604	13.8%	286,209	305,464	6.7%	305,464	305,464	6.7%	305,464	305,464	6.7%
Environmental Compliance	M.2	490,872	461,512	424,162	474,895	421,399	388,349	245,573	429,981	(40,109)	-9.5%	380,873	12,950	3.4%	393,822	12,950	3.4%	393,822	12,950	3.4%
Freight		55,273	59,357	71,133	83,142	79,380	66,061	33,547	57,509	9,873	17.2%	67,382	1,482	2.2%	68,865	1,482	2.2%	68,865	1,482	2.2%
Fuel	L.3	4,207,005	5,324,170	4,194,191	3,975,562	5,213,044	5,630,207	3,312,606	5,678,753	(69,635)	-1.2%	5,609,118	154,248	2.7%	5,763,366	154,248	2.7%	5,763,366	154,248	2.7%
Human Resources	M.2	405,351	459,642	698,806	860,012	467,356	484,267	324,886	556,948	(56,216)	-10.1%	500,732	17,025	3.4%	517,757	17,025	3.4%	517,757	17,025	3.4%
IT Disposal	J	40,846,903	40,919,123	37,795,647	36,248,467	38,115,083	36,388,014	22,390,501	38,383,715	(1,528,102)	-4.0%	36,855,613	2,442,572	6.6%	39,298,185	2,442,572	6.6%	39,298,185	2,442,572	6.6%
IT Processing	K	33,963,898	39,653,994	39,155,843	40,106,616	45,029,180	47,827,001	27,949,318	47,913,117	505,517	1.1%	48,418,634	3,832,004	7.9%	52,250,638	3,832,004	7.9%	52,250,638	3,832,004	7.9%
IT Services	M.2	1,908,641	2,008,298	1,769,823	1,949,164	1,849,598	1,823,200	1,189,502	2,039,147	(153,958)	-7.6%	1,885,188	64,096	3.4%	1,949,285	64,096	3.4%	1,949,285	64,096	3.4%
Lease	H.1	10,533,101	12,005,659	11,972,243	8,319,653	8,934,636	11,763,588	7,349,361	12,598,905	325,810	2.6%	12,924,714	1,072,349	8.3%	13,977,063	1,072,349	8.3%	13,977,063	1,072,349	8.3%
Liability Insurance	I	2,707,703	2,932,855	3,198,772	2,937,231	2,982,134	2,790,951	1,934,444	3,316,190	(233,862)	-7.1%	3,082,327	227,598	7.4%	3,309,923	227,598	7.4%	3,309,923	227,598	7.4%
Licenses & Permits	L.2	1,434,878	1,529,472	1,564,840	1,499,871	1,527,726	1,621,437	909,823	1,559,697	84,028	5.4%	1,643,724	42,720	2.6%	1,686,444	42,720	2.6%	1,686,444	42,720	2.6%
O/S Billing Services		249,091	285,191	293,579	307,853	278,355	302,532	138,733	237,828	70,755	29.8%	308,583	6,789	2.2%	315,371	6,789	2.2%	315,371	6,789	2.2%
O/S Disposal		893,258	706,428	665,102	414,739	271,811	19,165	9,177	15,732	3,816	24.3%	19,546	430	2.2%	19,978	430	2.2%	19,978	430	2.2%
O/S Equipment Rental		138,679	141,887	101,945	71,997	67,823	54,967	20,377	34,932	21,134	60.5%	56,066	1,233	2.2%	57,300	1,233	2.2%	57,300	1,233	2.2%
Office		223,637	330,707	300,258	326,415	344,773	342,221	230,663	395,422	(46,357)	-11.7%	349,065	7,679	2.2%	356,745	7,679	2.2%	356,745	7,679	2.2%
Office	L.2	2,597,503	2,544,006	2,234,472	1,990,149	1,987,022	1,625,248	1,018,866	1,748,627	120,846	6.9%	1,867,473	41,084	2.2%	1,908,557	41,084	2.2%	1,908,557	41,084	2.2%
Office		289,693	318,248	313,336	307,267	312,685	299,732	179,201	307,202	(1,475)	-0.5%	305,727	6,726	2.2%	312,453	6,726	2.2%	312,453	6,726	2.2%
Professional Services	M.1	645,072	1,598,963	1,808,887	941,344	1,062,325	679,089	421,707	722,962	158,722	22.0%	881,648	502,790	57.0%	1,384,378	502,790	57.0%	1,384,378	502,790	57.0%
Property Rental		1,027,852	1,164,108	1,217,501	1,202,444	1,224,924	1,235,383	712,310	1,221,103	14,811	1.2%	1,235,914	5,788	0.5%	1,241,701	5,788	0.5%	1,241,701	5,788	0.5%
Repairs & Maintenance	L.2	1,247,337	1,262,146	1,205,381	1,173,106	1,085,001	1,124,517	560,429	960,735	166,806	17.4%	1,127,541	125,006	11.1%	1,252,547	125,006	11.1%	1,252,547	125,006	11.1%
Security & Janitorial		310,730	309,681	317,261	321,142	323,971	368,533	223,954	383,921	(6,017)	-2.1%	375,904	8,270	2.2%	384,174	8,270	2.2%	384,174	8,270	2.2%
Supplies		1,207,966	1,093,202	1,354,612	1,522,217	1,237,968	1,159,220	609,435	1,044,746	261,723	25.1%	1,306,468	75,042	5.7%	1,381,511	75,042	5.7%	1,381,511	75,042	5.7%
Sustainability		1,058,652	1,077,752	1,202,205	1,234,340	1,162,157	1,061,138	119,793	205,359	(31,504)	-15.3%	1,173,854	5,911	0.5%	1,179,765	5,911	0.5%	1,179,765	5,911	0.5%
Taxes		275,864	271,906	312,618	365,503	333,417	1,220,380	711,745	1,220,134	24,653	3.0%	1,244,788	134,661	10.8%	1,379,449	134,661	10.8%	1,379,449	134,661	10.8%
Telephone		568,529	542,047	546,355	501,280	433,683	477,624	331,814	368,995	(98,133)	-17.2%	470,862	7,795	1.6%	481,221	7,795	1.6%	481,221	7,795	1.6%
Tires & Tubes	L.2	356,810	339,203	379,661	363,926	378,019	349,778	214,922	368,438	(4,530)	-1.2%	363,908	8,006	2.2%	371,914	8,006	2.2%	371,914	8,006	2.2%
Utilities		(24,729)	(29,162)	(25,084)	(49,789)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
T&G Fuel Allocation		(12,272)	(16,249)	(44,285)	(39,961)	(73,038)	(53,463)	(30,489)	(52,267)	(2,265)	4.3%	(54,532)	(1,200)	2.2%	(55,732)	(1,200)	2.2%	(55,732)	(1,200)	2.2%
T&G Maintenance Allocation		895,596	2,676,575	2,367,007	3,123,865	2,770,394	1,678,971	1,033,043	1,770,931	(21,046)	-1.2%	1,749,885	66,955	3.8%	1,816,840	66,955	3.8%	1,816,840	66,955	3.8%
Other		197,318,880	210,856,392	204,148,652	203,246,988	212,159,255	224,574,873	130,547,599	223,795,884	3,737,929	1.7%	227,533,813	16,463,757	7.2%	243,997,570	16,463,757	7.2%	243,997,570	16,463,757	7.2%
Total Operating Expenses		197,318,880	210,856,392	204,148,652	203,246,988	212,159,255	224,574,873	130,547,599	223,795,884	3,737,929	1.7%	227,533,813	16,463,757	7.2%	243,997,570	16,463,757	7.2%	243,997,570	16,463,757	7.2%

Non-Operating Ratio Expenses
 Disposal (39,298,185)
 Processing Cost (52,250,638)
 Operating Ratio Expenses 152,448,748

Recology Sunset Scavenger/Recology Golden Gate
Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		Actual				Projected		Rate Application	
	RY 2011		RY 2012		RY 2013		RY 2014			
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Total Payroll										
Exempt Non Union	75.2	6,942,436	76.1	7,288,344	75.8	7,730,667	78.5	8,190,516	81.0	8,190,516
Non-Exempt Non-Union	24.0	1,678,096	27.3	1,499,568	25.6	1,426,710	24.2	1,526,712	25.0	1,526,712
Union - Clerical	25.5	1,649,386	27.1	1,753,680	28.2	1,970,344	30.3	2,178,330	33.0	2,178,330
Union - Driver/Helper	419.8	39,087,932	407.8	40,713,331	405.0	41,531,968	409.6	46,198,300	430.0	46,198,300
Union - Shop	49.0	4,864,728	49.6	4,924,048	49.3	5,382,045	51.6	5,818,543	54.0	5,818,543
Funds from DOC	-	(140,520)	-	(466,700)	-	-	-	-	-	-
Total	593.4	54,082,057	587.8	55,712,271	583.8	58,041,734	594.2	63,912,402	623.0	63,912,402
Regular Payroll - FTE										
Exempt Non Union	75.2	6,017,837	76.1	6,298,591	75.8	6,736,336	78.5	7,176,972	81.0	7,176,972
Non-Exempt Non-Union	22.0	1,404,756	25.9	1,222,626	24.6	1,160,908	23.2	1,243,178	24.0	1,243,178
Union - Clerical	25.5	1,308,124	27.1	1,377,931	28.2	1,566,255	30.3	1,768,373	33.0	1,768,373
Union - Driver/Helper	329.0	25,027,692	309.0	25,981,407	311.7	26,720,795	320.4	29,593,818	335.3	29,593,818
Union - Shop	47.7	3,330,708	46.0	3,329,908	44.8	3,720,612	50.4	4,041,869	52.2	4,041,869
Total	499.4	37,089,118	484.2	38,210,463	485.0	39,904,907	502.8	43,824,211	525.5	43,824,211
Sick, Vacation & Holiday Off										
Exempt Non Union	-	924,599	-	989,753	-	994,330	-	1,013,543	-	1,013,543
Non-Exempt Non-Union	-	188,426	-	174,198	-	167,774	-	182,392	-	182,392
Union - Clerical	-	267,228	-	284,528	-	307,104	-	308,139	-	308,139
Union - Driver/Helper	-	5,907,807	-	6,044,935	-	6,089,512	-	6,773,706	-	6,773,706
Union - Shop	-	733,018	-	735,620	-	756,117	-	825,644	-	825,644
Total	-	8,021,079	-	8,229,035	-	8,314,837	-	9,103,424	-	9,103,424
Overtime										
Exempt Non Union	-	82,443	-	84,493	-	81,014	-	83,578	-	83,578
Non-Exempt Non-Union	-	30,366	-	31,633	-	29,753	-	30,780	-	30,780
Union - Clerical	-	2,321,832	-	2,657,968	-	2,505,520	-	2,681,510	-	2,681,510
Union - Driver/Helper	-	288,426	-	328,244	-	297,853	-	309,467	-	309,467
Union - Shop	-	2,723,066	-	3,102,339	-	2,914,140	-	3,105,334	-	3,105,334
Total	-	2,723,066	-	3,102,339	-	2,914,140	-	3,105,334	-	3,105,334

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		RY 2011		Actual		RY 2012		Projected		Rate Application	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Holiday & Weekend Payroll												
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	2,470	-	18,251	-	17,014	-	17,014	-	-	-	17,564
Union - Clerical	-	43,667	-	59,587	-	67,232	-	67,232	-	-	-	71,038
Union - Driver/Helper	-	5,830,600	-	6,029,020	-	6,216,141	-	6,216,141	-	-	-	7,149,266
Union - Shop	-	512,576	-	530,276	-	607,464	-	607,464	-	-	-	641,564
Total	-	6,389,313	-	6,637,134	-	6,907,851	-	6,907,851	-	-	-	7,879,432

Abandoned Materials Collection												
Regular Payroll - FTE												
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	1.0	76,001
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-	1.0	45,480
Union - Driver/Helper	-	-	-	-	-	-	0.8	72,289	-	-	10.6	951,945
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	0.8	72,289	-	-	12.6	1,073,427

Overtime												
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	1,845	-	1,845	-	-	-	7,715
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	1,845	-	1,845	-	-	-	7,715

Holiday & Weekend Payroll												
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-	-	579
Union - Driver/Helper	-	-	-	-	-	-	-	22,665	-	-	-	504,515
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	22,665	-	-	-	505,094

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		Actual		RY 2011		RY 2012		Projected		Rate Application	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars

Bulky Item Collection

	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE												
Exempt Non Union	1.0	98,378	1.0	103,623	1.0	103,717	1.0	103,717	1.0	103,717	1.0	110,610
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	9.4	645,711	7.1	607,506	7.7	668,086	7.7	668,086	7.7	668,086	7.7	709,722
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-
Total	10.4	744,090	8.1	711,129	8.7	771,802	8.7	771,802	8.7	771,802	8.7	820,332

Overtime

Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	20,474	-	35,279	-	33,008	-	33,008	-	33,008	-	34,719
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	20,474	-	35,279	-	33,008	-	33,008	-	33,008	-	34,719

Holiday & Weekend Payroll

Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	14,616	-	23,991	-	25,233	-	25,233	-	25,233	-	21,097
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	14,616	-	23,991	-	25,233	-	25,233	-	25,233	-	21,097

City Can Collection

	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE												
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	51,820	0.8	49,226	1.0	44,321	1.0	44,321	1.0	44,321	1.0	45,883
Union - Clerical	-	-	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	7.0	533,039	6.9	574,467	7.3	774,010	9.2	774,010	11.0	774,010	11.0	964,964
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-
Total	7.0	584,860	7.6	623,693	8.3	818,331	10.2	818,331	12.0	1,010,948	12.0	1,010,948

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	Actual				Projected				Rate Application	
	RY 2010	RY 2011	RY 2012	RY 2013	RY 2013	RY 2013	RY 2013	RY 2014	RY 2014	RY 2014
	HC	HC	HC	HC	Dollars	Dollars	Dollars	Dollars	HC	Dollars
Overtime										
Exempt Non Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	269	-	-	3,421	-	3,417	-	-	3,537
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	44,553	-	-	42,589	-	39,975	-	-	46,293
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	-	44,823	-	-	46,010	-	43,392	-	-	49,830
Holiday & Weekend Payroll										
Exempt Non Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	498	-	-	3,512	-	2,545	-	-	2,634
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	509,437	-	-	538,966	-	679,677	-	-	820,554
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	-	509,936	-	-	542,478	-	682,222	-	-	823,188

Commercial Composting										
Regular Payroll - FTE										
	RY 2010	RY 2011	RY 2012	RY 2013	RY 2013	RY 2013	RY 2013	RY 2014	RY 2014	RY 2014
	HC	HC	HC	HC	Dollars	Dollars	Dollars	Dollars	HC	Dollars
Exempt Non Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	16.0	16.6	18.4	20.7	1,361,601	1,524,091	1,671,843	1,826,101	21.4	1,826,101
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	16.0	16.6	18.4	20.7	1,361,601	1,524,091	1,671,843	1,826,101	21.4	1,826,101
Overtime										
Exempt Non Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	204,093	-	-	219,569	-	154,457	-	-	165,276
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	-	204,093	-	-	219,569	-	154,457	-	-	165,276

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		RY 2011		RY 2012		Projected RY 2013		Rate Application RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Holiday & Weekend Payroll										
Exempt Non Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	446,533	-	474,262	-	574,929	-	621,739	-	621,739
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	-	446,533	-	474,262	-	574,929	-	621,739	-	621,739

Commercial Recycling										
Regular Payroll - FTE										
Exempt Non Union	6.2	253,058	4.0	243,581	4.0	245,240	4.0	260,594	4.0	260,594
Non-Exempt Non-Union	1.0	86,038	4.5	206,339	4.5	200,980	5.0	233,484	5.0	233,484
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	16.0	1,284,561	14.9	1,249,018	15.4	1,300,112	15.9	1,403,582	15.9	1,403,582
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	23.2	1,623,657	23.4	1,698,938	23.9	1,746,332	24.9	1,897,659	24.9	1,897,659

Overtime										
Exempt Non Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	2,432	-	10,868	-	11,035	-	11,337	-	11,337
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	165,355	-	151,291	-	123,123	-	147,365	-	147,365
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	-	167,787	-	162,160	-	134,158	-	158,701	-	158,701

Holiday & Weekend Payroll										
Exempt Non Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	196,315	-	192,425	-	211,285	-	228,892	-	228,892
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	-	196,315	-	192,425	-	211,285	-	228,892	-	228,892

Recology Sunset Scavenger/Recology Golden Gate
Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		RY 2011		RY 2012		Projected RY 2013		Rate Application RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars

Fantastic 3 Co-Collection

	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE										
Exempt Non Union	18.7	1,336,625	19.8	1,415,571	20.0	1,445,352	21.0	1,556,899		
Non-Exempt Non-Union	1.0	323,292	5.0	234,655	5.0	234,815	5.0	241,179		
Union - Clerical	-	-	-	-	-	-	-	-		
Union - Driver/Helper	166.9	12,947,063	158.9	13,314,680	158.4	13,253,442	160.3	14,090,323		
Union - Shop	-	-	-	-	-	-	-	-		
Total	186.5	14,606,981	183.8	14,964,907	183.4	14,933,609	186.3	15,888,401		

Overtime

Exempt Non Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	3,761	-	12,432	-	11,676	-	12,084	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	792,112	-	944,517	-	943,960	-	987,592	-	-
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	-	795,873	-	956,949	-	955,635	-	999,676	-	-

Holiday & Weekend Payroll

Exempt Non Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	1,002	-	12,542	-	12,529	-	12,921	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	2,477,649	-	2,663,818	-	2,948,092	-	3,093,699	-	-
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	-	2,478,650	-	2,676,360	-	2,960,621	-	3,106,620	-	-

Fantastic 3 Composting

	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE								
Exempt Non Union	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-
Union - Driver/Helper	28.8	2,364,509	35.6	2,850,852	35.6	2,856,830	35.6	3,165,800
Union - Shop	-	-	-	-	-	-	-	-
Total	28.8	2,364,509	35.6	2,850,852	35.6	2,856,830	35.6	3,165,800

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		RY 2011		Actual		RY 2012		Projected		Rate Application	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Overtime												
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	460,915	-	460,915	-	476,572	-	495,276	-	495,276	-	546,709
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	460,915	-	460,915	-	476,572	-	495,276	-	495,276	-	546,709
Holiday & Weekend Payroll												
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	371,564	-	371,564	-	438,414	-	407,936	-	407,936	-	453,986
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	371,564	-	371,564	-	438,414	-	407,936	-	407,936	-	453,986

Frontload Collection												
Regular Payroll - FTE												
	HC	Dollars										
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	1.0	42,050	1.0	53,145	1.0	55,365	1.0	58,152	1.0	58,152	1.0	58,152
Union - Driver/Helper	17.5	1,317,405	16.1	1,294,340	15.4	1,329,412	15.9	1,403,279	15.9	1,403,279	15.9	1,403,279
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-
Total	18.5	1,359,455	17.1	1,347,485	16.4	1,384,778	16.9	1,461,431	16.9	1,461,431	16.9	1,461,431
Overtime												
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	513	-	1,465	-	1,465	-	1,544	-	1,465	-	1,544
Union - Driver/Helper	-	113,743	-	218,698	-	223,571	-	233,732	-	223,571	-	233,732
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	114,256	-	220,164	-	225,036	-	235,276	-	225,036	-	235,276

Recology Sunset Scavenger/Recology Golden Gate
Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010				Actual				Projected				Rate Application		
	HC		Dollars		HC		Dollars		HC		Dollars		RY 2014		
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	
Holiday & Weekend Payroll															
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	2,669	-	3,456	-	3,290	-	3,290	-	3,427	-	3,427	-	3,427	-
Union - Driver/Helper	-	356,321	-	352,519	-	329,655	-	329,655	-	344,904	-	344,904	-	344,904	-
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	358,990	-	355,975	-	332,945	-	332,945	-	348,331	-	348,331	-	348,331	-

Rearload Collection															
Regular Payroll - FTE															
Exempt Non Union	17.3	17.1	17.0	1,195,031	17.0	1,171,290	17.0	1,248,076							
Non-Exempt Non-Union	-	-	-	-	-	-	-	-							
Union - Clerical	-	-	-	-	-	-	-	-							
Union - Driver/Helper	24.1	16.7	15.1	1,374,564	15.3	1,277,378	15.3	1,339,914							
Union - Shop	-	-	-	-	-	-	-	-							
Total	41.4	33.7	32.1	2,568,979	32.3	2,448,668	32.3	2,587,990							

Overtime															
Exempt Non Union	-	-	-	-	-	-	-	-							
Non-Exempt Non-Union	-	-	-	-	-	-	-	-							
Union - Clerical	-	-	-	-	-	-	-	-							
Union - Driver/Helper	-	43,397	-	33,760	-	43,626	-	45,608							
Union - Shop	-	-	-	-	-	-	-	-							
Total	-	43,397	-	33,760	-	43,626	-	45,608							

Holiday & Weekend Payroll															
Exempt Non Union	-	-	-	-	-	-	-	-							
Non-Exempt Non-Union	-	-	-	-	-	-	-	-							
Union - Clerical	-	-	-	-	-	-	-	-							
Union - Driver/Helper	-	978,290	-	842,320	-	510,366	-	530,839							
Union - Shop	-	-	-	-	-	-	-	-							
Total	-	978,290	-	842,320	-	510,366	-	530,839							

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		RY 2011		RY 2012		Projected RY 2013		Rate Application RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Recycling Development & Sales										
Regular Payroll - FTE										
Exempt Non Union	2.2	256,200	3.0	267,131	3.0	287,929	3.0	289,994	3.0	289,994
Non-Exempt Non-Union	3.0	129,035	1.0	61,266	1.0	63,605	1.0	61,325	1.0	61,325
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	1,812	-	6,529	-	6,529
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	5.2	387,235	4.0	328,398	4.0	353,346	4.0	357,848	4.0	357,848
Overtime										
Exempt Non Union	-	-	-	-	-	98	-	102	-	102
Non-Exempt Non-Union	-	5,316	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-	-	-
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	-	5,316	-	98	-	98	-	102	-	102
Holiday & Weekend Payroll										
Exempt Non Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-	-	-
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Roll-Off Collection										
Regular Payroll - FTE										
Exempt Non Union	8.0	721,960	8.0	718,428	8.0	740,496	8.0	776,595	8.0	776,595
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	5.0	229,401	5.0	255,000	5.0	245,046	5.0	255,450	5.0	255,450
Union - Driver/Helper	28.7	2,255,691	27.2	2,336,305	27.5	2,356,000	27.5	2,471,774	27.5	2,471,774
Union - Shop	1.5	972	-	768	1.0	86,572	1.0	90,886	1.0	90,886
Total	43.2	3,208,024	40.2	3,310,502	41.4	3,428,114	41.4	3,594,704	41.4	3,594,704

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	Actual				Projected				Rate Application					
	RY 2010		RY 2011		RY 2012		RY 2013		RY 2014		HC		Dollars	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars

Overtime														
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	3,037	-	3,698	-	3,601	-	3,601	-	3,763	-	3,763	-	3,763
Union - Driver/Helper	-	301,035	-	314,777	-	307,562	-	307,562	-	321,060	-	321,060	-	321,060
Union - Shop	-	-	-	-	-	1,512	-	1,512	-	1,581	-	1,581	-	1,581
Total	-	304,072	-	318,476	-	312,675	-	312,675	-	326,403	-	326,403	-	326,403

Holiday & Weekend Payroll														
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	7,022	-	9,951	-	11,075	-	11,075	-	11,482	-	11,482	-	11,482
Union - Driver/Helper	-	371,059	-	379,338	-	398,848	-	398,848	-	416,207	-	416,207	-	416,207
Union - Shop	-	(2)	-	1,011	-	60,480	-	60,480	-	63,229	-	63,229	-	63,229
Total	-	378,079	-	390,301	-	470,403	-	470,403	-	490,917	-	490,917	-	490,917

General & Administrative														
Regular Payroll - FTE														
Exempt Non Union	16.7	1,615,532	16.9	1,879,723	19.5	2,214,576	20.0	2,342,240	20.0	2,342,240	20.0	2,342,240	20.0	2,342,240
Non-Exempt Non-Union	16.0	805,175	13.1	671,139	11.7	617,187	12.0	661,308	12.0	661,308	12.0	661,308	12.0	661,308
Union - Clerical	17.5	934,052	20.2	979,402	22.3	1,167,053	24.0	1,305,528	24.0	1,305,528	24.0	1,305,528	24.0	1,305,528
Union - Driver/Helper	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	50.2	3,354,759	50.2	3,530,264	53.5	3,998,815	56.0	4,309,076	56.0	4,309,076	56.0	4,309,076	56.0	4,309,076

Overtime														
Exempt Non Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	66,784	-	57,674	-	54,788	-	56,519	-	56,519	-	56,519	-	56,519
Union - Driver/Helper	-	26,795	-	26,437	-	24,654	-	25,439	-	25,439	-	25,439	-	25,439
Union - Shop	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	93,580	-	84,111	-	79,441	-	81,958	-	81,958	-	81,958	-	81,958

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		RY 2011		RY 2012		Projected RY 2013		Rate Application RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Holiday & Weekend Payroll										
Exempt Non Union	-	-	-	2,197	-	-	-	-	-	-
Non-Exempt Non-Union	-	971	-	-	-	-	-	-	-	2,008
Union - Clerical	-	27,830	-	40,528	-	-	-	-	-	49,747
Union - Driver/Helper	-	-	-	-	-	-	-	-	-	-
Union - Shop	-	-	-	-	-	-	-	-	-	-
Total	-	28,800	-	42,725	-	49,193	-	51,755	-	51,755

Truck & Garage										
	RY 2010		RY 2011		RY 2012		Projected RY 2013		Rate Application RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE										
Exempt Non Union	5.3	539,668	6.0	475,502	6.0	527,737	6.0	515,965	6.0	515,965
Non-Exempt Non-Union	1.0	9,396	-	-	-	-	-	-	-	-
Union - Clerical	2.0	102,621	2.0	90,383	2.0	98,791	2.0	103,763	2.0	103,763
Union - Driver/Helper	14.5	943,547	12.0	961,761	13.9	1,159,582	14.0	1,259,885	14.0	1,259,885
Union - Shop	46.2	3,329,736	44.8	3,329,139	49.4	3,634,040	51.3	3,950,983	51.3	3,950,983
Total	68.9	4,924,967	64.8	4,856,786	71.4	5,420,150	73.3	5,830,596	73.3	5,830,596

Overtime										
	RY 2010		RY 2011		RY 2012		Projected RY 2013		Rate Application RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Exempt Non Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	3,880	-	-	-	-	-	-	-	-
Union - Clerical	-	20	-	33	-	33	-	34	-	34
Union - Driver/Helper	-	176,155	-	220,915	-	139,117	-	145,439	-	145,439
Union - Shop	-	288,426	-	328,244	-	296,341	-	307,886	-	307,886
Total	-	468,481	-	549,192	-	435,491	-	453,359	-	453,359

Holiday & Weekend Payroll										
	RY 2010		RY 2011		RY 2012		Projected RY 2013		Rate Application RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Exempt Non Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	6,146	-	5,652	-	5,614	-	5,804	-	5,804
Union - Driver/Helper	-	108,817	-	122,967	-	107,454	-	112,835	-	112,835
Union - Shop	-	512,577	-	529,265	-	546,984	-	578,335	-	578,335
Total	-	627,541	-	657,884	-	660,052	-	696,974	-	696,974

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule G.2
Employee Pension Expenses

	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Amount	9,643,249	20,004,212	14,531,250	12,886,750		

	Oct-Sep 2012	Oct-Sep 2013	Oct-Sep 2014	Oct-Sep 2015	Oct-Sep 2016
Recology Contributions					
Sunset and Golden Gate	19,602,000	12,841,000	12,902,000	12,907,000	12,986,000
Recology San Francisco	6,318,000	4,217,000	4,299,000	4,304,000	4,413,000
Other	12,630,000	7,942,000	7,799,000	7,789,000	7,601,000
Total Recology Contributions	38,550,000	25,000,000	25,000,000	25,000,000	25,000,000
Rate Year		RY 2013	RY 2014	RY 2015	RY 2016
Sunset and Golden Gate		14,531,250	12,886,750	12,905,750	12,966,250
Recology San Francisco		4,742,250	4,278,500	4,302,750	4,385,750
Other		9,114,000	7,834,750	7,791,500	7,648,000
Total Recology Contributions		28,387,500	25,000,000	25,000,000	25,000,000

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule G.3
Health Insurance & Postretirement Expenses

	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Health Insurance						
Monthly Rate	1,632	1,739	1,912	2,031		
No. of Months/Year	12	12	12	12		
Annual Rate	19,579	20,863	22,944	24,377		
Actual Headcount	581	577	594	623		
Health Insurance	11,374,697	12,038,214	13,632,275	15,186,672		
Reinsurance Fees						
Annual Rate	-	-	-	110		
No. of Enrollment (Dependent & Employee)	-	-	-	1,921		
Self Insured Prescription	-	-	-	211,310		
Annual Rate	-	-	-	110		
No. of Enrollment (Dependent & Employee)	-	-	-	273		
Fully Insured Prescription with Health Net	-	-	-	30,030		
Reinsurance Fees	-	-	-	241,340		
Postretirement Medical						
Recology Postretirement (Rule of 84)	3,696,610	949,976	-	-		
RSP (See below)	1,855,910	2,138,138	2,801,963	3,347,641		
Postretirement Medical	5,552,520	3,088,114	2,801,963	3,347,641		
Health Insurance & Postretirement	16,927,217	15,126,328	16,434,238	18,775,653		
Local 350 Union Retirement Security Plan (RSP)						
Regular RSP			Jul-12	Jul-13		
Increase Effective Month				11.00%		
Increase %			441.93	490.54		
Regular Monthly Rate						
Supplemental RSP			Oct-12	Jul-13		
Increase Effective Month			10.0%	10.0%		
Increase %			44.19	49.05		
Supplemental Monthly Rate						
Rate Year			RY 2012	RY 2013	RY 2014	
Total Monthly Rate	355	399	475	540		
No. of Months/Year	12	12	12	12		
Annual Rate	4,263	4,783	5,701	6,475		
Actual Union Headcount	480	480	492	517		
Postretirement	2,048,133	2,294,343	2,801,963	3,347,641		
Phase in adjustment	(192,223)	(156,205)				
	1,855,910	2,138,138	2,801,963	3,347,641		

Recology Sunset Scavenger/Recology Golden Gate

Rate Application, Schedule G.4

Workers Compensation Expenses

	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Payroll	54,082,057	55,712,272	58,041,734	63,912,402		
% of Payroll	8.2%	8.4%	10.0%	9.8%		
Workers Compensation	4,418,552	4,690,671	5,830,596	6,247,068		

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule H.1
Depreciation and Lease Expenses

Lease Expenses Description	Actual							Projected RY 2013	Rate Application RY 2014
	RY 2007	RY 2008	RY 2009	RY 2010	RY 2011	RY 2012	RY 2013		
Additions									
Existing Leases in 2006 Rate	\$ 10,088,002	\$ 9,807,591	\$ 7,822,183	\$ 3,157,481	\$ 1,000,961	\$ 332,737	\$ -	\$ -	\$ 1,041,683
New Leases after 2006 Rate	477,099	2,242,428	4,212,760	5,725,848	8,458,525	11,842,188	12,284,445	11,592,342	1,445,538
New Leases for RY2013							722,769		
Salvage Value	(32,000)	(43,160)	(62,700)	(563,676)	(524,650)	(391,327)	(82,500)	(82,500)	
Total Lease Expenses	\$ 10,533,101	\$ 12,006,859	\$ 11,972,243	\$ 8,319,653	\$ 8,934,836	\$ 11,783,598	\$ 12,924,714	\$ 13,997,063	

Depreciation Description	Actual							Projected RY 2013	Rate Application RY 2014
	RY 2007	RY 2008	RY 2009	RY 2010	RY 2011	RY 2012	RY 2013		
Additions									
Existing Depreciation in 2006 Rate	\$ 240,374	\$ 204,286	\$ 188,654	\$ 139,640	\$ 116,027	\$ 109,233	\$ 100,695	\$ 77,700	\$ 5,122
New Depreciation after 2006 Rate	28,288	57,106	69,530	95,436	102,497	122,744	148,387	148,387	148,387
New Depreciation for RY2013							37,127		74,254
Total Depreciation	\$ 268,662	\$ 261,392	\$ 258,184	\$ 235,076	\$ 218,523	\$ 231,977	\$ 286,209	\$ 305,464	

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule H.2
Detailed Capital Items and Lease Expenses
 (\$000 omitted)

Mid-Year Convention	50%	50%
Lease Rate	7 Yr.	
Monthly	1.35%	
Annual	16.20%	

	RY 2013			RY 2014			Projected Lease Expense		
	Quantity	Price	Costs	Quantity	Price	Costs	Term	RY 2013	RY 2014
Operating Equipment									
Flatbeds & Stakebeds									
Front Loader	4	305.15	1,221	4	323.84	1,295	L7	99	303
Pickup	-	-	-	4	54.89	220	L7	-	18
Rear Loader	2	337.50	675	8	336.16	2,689	L7	55	327
Roll-Off	-	-	-	4	247.50	990	L7	-	80
Shop Truck	-	-	-	2	83.00	166	L7	-	13
Side Loader	13	325.26	4,228	11	353.93	3,893	L7	342	1,000
Specialty Truck	1	194.87	195	1	72.75	73	L7	16	32
Sweeper Truck	-	-	-	5	121.00	605	L7	-	6
24' MEA Vans	-	-	-	3	47.33	142	L7	-	49
Forklift	-	-	-	12	11.00	132	L7	4	12
Equipment	2	22.92	46	7	0.72	5	L7	3	7
Hardware for RFID Project	2	15.69	31	12	11.00	132	L7	3	16
4 yd - BBD	7	0.70	5	3	0.83	2	L7	0	1
6 yd - BBD	3	0.80	2	2,500	0.02	45	L7	0	11
Carts - 20 gal Inserts	2,500	0.02	45	600	0.04	26	L7	4	6
Carts - 32 gal HD - w/locks	600	0.04	26	25,000	0.04	883	L7	71	213
Carts - 32 gal Heavy Duty	25,000	0.04	875	1,000	0.05	48	L7	4	11
Carts - 64 gal HD w/locks	1,000	0.05	47	14,000	0.04	552	L7	44	133
Carts - 64 gal Heavy Duty	14,000	0.04	546	600	0.05	32	L7	3	8
Carts - 96 gal HD w/locks	600	0.05	32	8,000	0.05	364	L7	29	88
Carts - 96 gal Heavy Duty	8,000	0.05	360	10	3.47	35	L7	3	8
Debris Box - 09 Yard	10	3.30	33	10	3.88	39	L7	3	9
Debris Box - 15 Yard	10	3.70	37	4	5.34	21	L7	2	5
Debris Box - 15 Yard Rolling Lid	4	5.10	20	10	5.11	51	L7	4	12
Debris Box - 20 Yard	10	4.90	49	4	6.95	28	L7	2	7
Debris Box - 20 Yard Rolling Lid	4	6.60	26	10	6.23	62	L7	5	15
Debris Box - 30 Yard	10	6.00	60	10	7.26	73	L7	6	17
Debris Box - 40 Yard W/ Wheels	10	7.00	70	80	0.46	36	L7	3	8
Frontloader - 1 Yard Metal Lids	80	0.41	33	50	0.52	26	L7	2	6
Frontloader - 1.5 Yard Metal Lids	50	0.47	24	80	0.57	46	L7	3	10
Frontloader - 2 Yard Metal Lids	80	0.52	42	80	0.65	52	L7	4	12
Frontloader - 3 Yard Metal Lids	80	0.59	47	90	0.77	69	L7	5	16
Frontloader - 4 Yard Metal Lids	90	0.70	63	20	0.83	17	L7	1	4
Frontloader - 5 Yard Metal Lids	20	0.76	15	30	0.88	26	L7	2	6
Frontloader - 6 Yard Metal Lids	30	0.80	24	15	1.01	15	L7	1	3
Frontloader - 7 Yard Metal Lids	15	0.92	14						

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule H.2
Detailed Capital Items and Lease Expenses
 (\$000 omitted)

Mid-Year Convention		50%
Lease Rate		
7 Yr.		
Monthly	1.35%	
Annual	16.20%	

	RY 2013			RY 2014			Projected Lease Expense		
	Quantity	Price	Costs	Quantity	Price	Costs	Term	RY 2013	RY 2014
Rearloader - 1 Yard Metal Lids	35	0.40	14	35	0.50	17	L7	1	4
Rearloader - 2 Yard Metal Lids	35	0.52	18	35	0.54	19	L7	1	4
Total Operating Equipment	52,307		\$ 8,923	52,338		\$ 12,860		\$ 723	\$ 2,487
Existing Leases									
Computer Equipment									\$ 65
Containers									1,370
Furniture & Fixtures									8
Machinery & Equipment									161
Trucks & Auto									9,989
Total Existing Leases									\$ 11,592
Salvage Value for Replacement Vehicles									\$ (83)
Total Company									\$ 13,997

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule H.3
Depreciation Expenses

Description	Mid-Year Convention				Life (Years)	Projected Depreciation	
	Costs		RY 2013	RY 2014		RY 2013	RY 2014
	RY 2013	RY 2014					
Roof Replacement		\$ 153,655		15	\$	\$ 5,122	
Total Additions		\$ 153,655			\$	\$ 5,122	
Existing Depreciation							
Buildings & Improvements					\$ 10,186	\$ 10,186	10,186
Computer Equipment							
Containers						725	725
Furniture & Fixtures						16,373	16,114
Land Improvements						54,881	54,881
Leasehold Improvements						121,854	113,903
Machinery & Equipment						45,063	30,279
Total Existing Depreciation					\$ 249,082	\$ 226,088	
Additions for Current Year (RY 2013)							
Bayshore Roof	\$ 107,000			15	\$ 3,567	\$ 7,133	
Facility Upgrade-Maintaining/Serviceing CNG		778,817		15		25,961	51,921
Powered Equipment		228,000		15		7,600	15,200
Parking Lot							
Total Additions for Current Year (RY 2013)	\$ 1,113,817				\$ 37,127	\$ 74,254	
Total Depreciation					\$ 286,209	\$ 305,464	

Recology Sunset Scavenger/Recology Golden Gate

Rate Application, Schedule I

Insurance Expenses

	Actual		Projection RY 2013	Rate Application RY 2014
	RY 2011	RY 2012		
Liability Insurance	\$ 2,982,134	\$ 2,790,951	\$ 3,082,327	\$ 3,309,925

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule J
Intercompany Disposal Expenses

Item Description	Actual		Projection	Rate Application
	RY 2011	RY 2012		
<u>Disposal Tons</u>				
Bulky Item Trash	4,087	4,242	4,038	7,140
Commercial Trash	60,399	58,742	58,293	56,951
Fantastic 3 Trash	159,016	153,078	158,815	157,338
Roll-off Trash	47,279	42,449	40,687	40,843
Total Disposal Tons	270,781	258,511	261,833	262,272
Rate per Ton	\$ 140.76	\$ 140.76	\$ 140.76	\$ 149.84
<u>Disposal Expenses</u>				
Bulky Item Trash	575,286	597,104	568,389	1,069,769
Commercial Trash	8,501,763	8,268,524	8,205,323	8,533,425
Fantastic 3 Trash	22,383,092	21,547,317	22,354,799	23,575,105
Roll-off Trash	6,654,941	5,975,069	5,727,102	6,119,886
Total I/C Disposal Expenses	\$ 38,115,083	\$ 36,388,014	\$ 36,855,613	\$ 39,298,185

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule K
Intercompany Processing Expenses

	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Processing						
Recycling						
Mixed-Paper Line	14,294	13,669	14,192	14,247		14,247
Source-Separated Line	1,555	1,612	1,283	1,288		1,288
Mixed-Commercial Line	3,428	3,286	3,182	3,194		3,194
Single-Stream Line	114,182	113,338	112,930	114,408		114,408
Roll-off Recycle	43,683	51,608	53,981	54,189		54,189
Other Recycle	62	100	114	114		114
Total Recycling Tons	177,204	183,613	185,682	187,440		187,440
Compostables						
Commercial Compostables	80,573	87,651	90,107	90,976		90,976
Fantastic 3 Compostables	60,785	64,046	64,440	66,776		66,776
Total Compostables Tons	141,358	151,697	154,547	157,751		157,751
Total Processing Tons	318,562	335,310	340,229	345,192		345,192
Processing Fee per Ton	\$ 140.76	\$ 140.76	\$ 140.76	\$ 149.84		\$ 149.84
Total Processing Expenses						
Recycling						
Mixed-Paper Line	\$ 2,012,023	\$ 1,924,048	\$ 1,997,666	\$ 2,134,672		\$ 2,134,672
Source-Separated Line	218,882	226,905	180,595	192,981		192,981
Mixed-Commercial Line	482,525	462,537	447,898	478,617		478,617
Single-Stream Line	16,072,258	15,953,457	15,896,027	17,142,659		17,142,659
Roll-off Recycle	6,148,819	7,264,342	7,598,366	8,119,487		8,119,487
Other Recycle	8,727	14,018	16,047	17,147		17,147
Concrete	54,402	100,418				
Inerts & Others	133,991	528,405	528,000	528,000		528,000
Total Recycling	\$ 25,131,628	\$ 26,474,131	\$ 26,664,598	\$ 28,613,563		\$ 28,613,563
Compostables						
Commercial Compostables	\$ 11,341,455	\$ 12,337,755	\$ 12,683,461	\$ 13,631,550		\$ 13,631,550
Fantastic 3 Compostables	8,556,097	9,015,115	9,070,574	10,005,525		10,005,525
Total Compostables	\$ 19,897,552	\$ 21,352,870	\$ 21,754,036	\$ 23,637,075		\$ 23,637,075
Total Processing Expenses	\$ 45,029,180	\$ 47,827,001	\$ 48,418,634	\$ 52,250,638		\$ 52,250,638

Recology Sunset Scavenger/Recology Golden Gate
 Rate Application, Schedule L.2
Repair and License Expenses

Inflation

Item	Actual		Projection		Rate Application	
	RY 2011		RY 2012		RY 2013	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Licenses & Permits						
Bulky Item Collection	\$ 18,545	\$ 16,527	\$ 16,858	\$ 17,229		
City Can Collection	28,329	20,111	20,513	20,964		
Abandoned Materials Collection				19,555		
Commercial Compostables	7,927	3,718	3,793	3,876		
Commercial Recycling	11,348	3,301	3,367	3,441		
Fantastic 3 Compostables	45,677	49,295	50,280	51,387		
Fantastic 3 Co-Collection	400,216	438,965	447,744	457,594		
Frontload Collection	61,708	55,695	56,808	58,058		
Rearload Collection	123,829	204,400	208,488	213,075		
Recycling Development & Sales	857	697	710	726		
Roll-Off Collection	184,500	183,625	187,297	191,418		
General & Administrative	25,179	21,837	22,274	22,764		
Truck & Garage	32,133	34,148	34,831	35,598		
DPH License Fee	587,478	589,119	590,760	590,760		
Total Licenses & Permits	\$ 1,527,726	\$ 1,621,437	\$ 1,643,724	\$ 1,686,444		

2.0%

2.2%

Parts	Actual		Projection		Rate Application	
	RY 2011		RY 2012		RY 2013	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Bulky Item Collection	\$ 18,983	\$ 16,646	\$ 19,127	\$ 19,548		
City Can Collection	29,702	5,069	5,824	5,952		
Commercial Compostables	43,496	48,614	55,859	57,088		
Commercial Recycling	39,867	42,497	48,831	49,905		
Fantastic 3 Compostables	282,773	294,382	338,256	345,698		
Fantastic 3 Co-Collection	1,055,157	732,063	841,169	859,675		
Frontload Collection	96,103	87,958	101,067	103,291		
Rearload Collection	106,003	112,848	129,667	132,520		
Recycling Development & Sales	306	2,541	2,920	2,984		
Roll-Off Collection	163,289	154,547	177,581	181,487		
Truck & Garage	151,344	128,082	147,172	150,409		
Total Parts	\$ 1,987,022	\$ 1,625,248	\$ 1,867,473	\$ 1,908,557		

Recology Sunset Scavenger/Recology Golden Gate

Rate Application, Schedule L.2

Repair and License Expenses

Item	Actual		Projection		Rate Application	
	RY 2011		RY 2012		RY 2013	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Inflation						
			2.0%			2.2%
Tires						
Bulky Item Collection	\$ 6,606	\$ 5,396	\$ 5,320	\$ 5,437		
City Can Collection	4,807	5,722	5,641	5,765		
Commercial Compostables	15,266	14,153	13,953	14,260		
Commercial Recycling	14,990	18,964	18,695	19,107		
Fantastic 3 Compostables	62,480	84,734	83,535	85,373		
Fantastic 3 Co-collection	190,574	188,449	185,781	189,868		
Frontload Collection	37,376	46,418	45,761	46,767		
Rearload Collection	29,048	43,310	42,697	43,636		
Roll-Off Collection	59,512	64,074	63,167	64,557		
Truck & Garage	13,023	6,404	6,313	6,452		
Total Tires	\$ 433,683	\$ 477,624	\$ 470,862	\$ 481,221		
Repairs						
Bulky Item Collection	\$ 5,370	\$ 2,586	\$ 2,593	\$ 2,650		
City Can Collection	2,903	1,029	1,032	1,054		
Abandoned Materials Collection				100,200		
Commercial Compostables	16,296	3,920	3,930	4,017		
Commercial Recycling	7,454	18,646	18,696	19,107		
Fantastic 3 Compostables	13,703	36,845	36,944	37,757		
Fantastic 3 Co-Collection	169,020	191,117	191,631	195,847		
Frontload Collection	12,722	23,820	23,884	24,409		
General & Administrative	47,434	49,573	49,707	50,800		
Rearload Collection	94,648	113,109	113,413	115,909		
Recycling Development & Sales	1,828	2,933	2,941	3,006		
Roll-Off Collection	308,553	317,081	317,934	324,929		
Truck & Garage	405,072	363,857	364,836	372,862		
Total Repairs	\$ 1,085,001	\$ 1,124,517	\$ 1,127,541	\$ 1,252,547		

Recology Sunset Scavenger/Recology Golden Gate

Rate Application, Schedule L.5

Contract Services Expenses

Item	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Contract Services						
Commercial Compostables	\$ 13,078	\$ 10,579	\$ -	\$ -	\$ -	\$ 75,739
Fantastic 3 Recycling	8,268	72,656	74,109	341,793	341,793	341,793
General & Administrative	356,231	359,435	334,435	57,315	58,576	58,576
Recycling Development & Sales	206,970	56,191	57,315	230,249	235,314	235,314
Equipment Installation and Service	210,311	225,734	230,249			
Total Contract Services	\$ 794,859	\$ 724,595	\$ 696,108	\$ 711,423	\$ 711,423	\$ 711,423

Inflation 2.0% 2.2%

Recology Sunset Scavenger/Recology Golden Gate

Rate Application, Schedule M.1

Professional Services Expenses

Inflation

Item	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Accounting Fees	\$ 111,780	\$ 128,235	\$ 130,800	\$ 133,678		
Engineering Fees	1,876	2,090	2,132	2,179		
Legal Fees	721,031	346,840	533,936	712,349		
Other Professional Fees	227,638	201,923	214,781	536,173		
Total Professional Services	\$ 1,062,325	\$ 679,089	\$ 881,648	\$ 1,384,378		

2.2%

2.0%

Recology Sunset Scavenger/Recology Golden Gate

Rate Application, Schedule M.2

Corporate Services Expenses

Item Description	Actual			Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2013	RY 2014	RY 2013	RY 2014
Corporate Management	\$ 1,199,336	\$ 1,235,344	\$ 1,277,346	\$ 1,277,346	\$ 1,320,775		
Sustainability	232,246	168,138	173,854	173,854	179,765		
Human Resources	467,356	484,267	500,732	500,732	517,757		
Corporate Accounting Services	1,835,514	1,644,895	1,700,822	1,700,822	1,758,650		
Environmental Compliance	421,389	368,349	380,873	380,873	393,822		
IT Services	1,849,599	1,823,200	1,885,188	1,885,188	1,949,285		
Total Corporate Services	\$ 6,005,440	\$ 5,724,193	\$ 5,918,815	\$ 5,918,815	\$ 6,120,055		

Inflation

3.40%

3.40%

Recology Sunset Scavenger/Recology Golden Gate
Contingent Schedule 1 - Zero Waste Facility Expansion
 Rate Application, Schedule B
Rate Calculations - Total Revenues

	RY 2014
Operating Ratio Expenses	\$ -
Calculated Operating Ratio Expenses	-
Allowed Operating Ratio	91.00%
Operating Expense with Operating Ratio	-
<u>Non-Operating Ratio Expense</u>	
Disposal Cost	627,617
Processing Cost	826,044
<u>Revenue</u>	
Diversion Incentive (2% OR)	-
Net Additional Revenue Requirement	1,453,661
Revenue @ Current Rates	265,459,760
Average Rate Increase	0.55%
Current 32-gallon can rate	\$ 33.91
Increase in 32-gallon can rate	\$ 0.19
Operating Expenses with 89% OR	-
Variance to 91% OR	-
Net Revenue Requirement @ 89% OR	1,453,661

Recology Sunset Scavenger/Recology Golden Gate
Contingent Schedule 1 - Zero Waste Facility Expansion
 Rate Application, Schedule D
Total Operating Expenses

Item Description	Sch.	RY 2014 Projected Expense
Payroll		
Payroll Taxes		
Pension		
Health Insurance		
Workers Compensation		
Total Payroll & Related		\$ -
Bad Debt		
Bridge Tolls		
Building & Facility Repair		
Contract Services		
Corporate Accounting Services		
Corporate Management		
Depreciation		
Environmental Compliance		
Freight		
Fuel		
Human Resources		
I/C Disposal	J	627,617
I/C Processing	K	826,044
IT Services		
Lease		
Liability Insurance		
Licenses & Permits		
O/S Billing Services		
O/S Disposal		
O/S Equipment Rental		
Office		
Parts		
Postage		
Professional Services		
Property Rental		
Repairs & Maintenance		
Security & Janitorial		
Supplies		
Sustainability		
Taxes		
Telephone		
Tires & Tubes		
Utilities		
T&G Fuel Allocation		
T&G Maintenance Allocation		
Other		
Total Operating Expenses		\$ 1,453,661
Non-Operating Ratio Expenses		
Disposal		(627,617)
Processing Cost		(826,044)
Operating Ratio Expenses		

Recology Sunset Scavenger/Recology Golden Gate
Contingent Schedule 1 - Zero Waste Facility Expansion
 Rate Application, Schedule J
Intercompany Disposal Expenses

Item Description	RY 2014
<u>Disposal Tons</u>	
Bulky Item Trash	7,140
Commercial Trash	56,951
Fantastic 3 Trash	157,338
Roll-off Trash	40,843
Total Disposal Tons	262,272
Rate per Ton	\$ 2.39
<u>Disposal Expenses</u>	
Bulky Item Refuse	17,085
Commercial Refuse	136,284
Fantastic 3 Refuse	376,510
Roll-off Refuse	97,739
Total I/C Disposal Expenses	\$ 627,617

**Recology Sunset Scavenger/Recology Golden Gate
 Contingent Schedule 1 - Zero Waste Facility Expansion
 Rate Application, Schedule K
Intercompany Processing Expenses**

Processing	RY 2014
Recycling	
Mixed-Paper Line	14,247
Source-Separated Line	1,288
Mixed-Commercial Line	3,194
Single-Stream Line	114,408
Roll-off Recycle	54,189
Other Recycle	114
Total Recycling Tons	187,440
Compostables	
Commercial Compostables	90,976
Fantastic 3 Compostables	66,776
Total Compostables Tons	157,751
Total Processing Tons	345,192
Processing Fee per Ton	\$ 2.39
Total Processing Charges	
Recycling	
Mixed-Paper Line	\$ 34,092
Source-Separated Line	3,082
Mixed-Commercial Line	7,644
Single-Stream Line	273,779
Roll-off Recycle	129,673
Other Recycle	274
Total Recycling	\$ 448,545
Compostables	
Commercial Compostables	\$ 217,705
Fantastic 3 Compostables	159,795
Total Compostables	\$ 377,499
Total Processing Expenses	\$ 826,044

Recology Sunset Scavenger/Recology Golden Gate
Contingent Schedule 2 - West Wing Project
 Rate Application, Schedule B
Rate Calculations - Total Revenues

	RY 2014
Operating Ratio Expenses	\$ -
Calculated Operating Ratio Expenses	-
Allowed Operating Ratio	91.00%
Operating Expense with Operating Ratio	-
<u>Non-Operating Ratio Expense</u>	
Disposal Cost	147,675
Processing Cost	194,363
<u>Revenue</u>	
Diversion Incentive (2% OR)	-
Net Additional Revenue Requirement	342,038
Revenue @ Current Rates	265,459,760
Average Rate Increase	0.13%
Current 32-gallon can rate	\$ 33.91
Increase in 32-gallon can rate	\$ 0.04
Operating Expenses with 89% OR	-
Variance to 91% OR	-
Net Revenue Requirement @ 89% OR	342,038

Recology Sunset Scavenger/Recology Golden Gate
 Contingent Schedule 2 - West Wing Project
 Rate Application, Schedule D
Total Operating Expenses

Item Description	Sch.	RY 2014 Projected Expense
Payroll		
Payroll Taxes		
Pension		
Health Insurance		
Workers Compensation		
Total Payroll & Related		\$ -
Bad Debt		
Bridge Tolls		
Building & Facility Repair		
Contract Services		
Corporate Accounting Services		
Corporate Management		
Depreciation		
Environmental Compliance		
Freight		
Fuel		
Human Resources		
I/C Disposal	J	147,675
I/C Processing	K	194,363
IT Services		
Lease		
Liability Insurance		
Licenses & Permits		
O/S Billing Services		
O/S Disposal		
O/S Equipment Rental		
Office		
Parts		
Postage		
Professional Services		
Property Rental		
Repairs & Maintenance		
Security & Janitorial		
Supplies		
Sustainability		
Taxes		
Telephone		
Tires & Tubes		
Utilities		
T&G Fuel Allocation		
T&G Maintenance Allocation		
Other		
Total Operating Expenses		\$ 342,038
Non-Operating Ratio Expenses		(147,675)
Disposal Processing Cost		(194,363)
Operating Ratio Expenses		-

Recology Sunset Scavenger/Recology Golden Gate
 Contingent Schedule 2 - West Wing Project

Rate Application, Schedule J

Intercompany Disposal Expenses

Item Description	RY 2014
Disposal Tons	
Bulky Item Trash	7,140
Commercial Trash	56,951
Fantastic 3 Trash	157,338
Roll-off Trash	40,843
Total Disposal Tons	262,272
Rate per Ton	\$ 0.56
Disposal Expenses	
Bulky Item Refuse	4,020
Commercial Refuse	32,067
Fantastic 3 Refuse	88,590
Roll-off Refuse	22,997
Total I/C Disposal Expenses	\$ 147,675

Recology Sunset Scavenger/Recology Golden Gate
 Contingent Schedule 2 - West Wing Project
 Rate Application, Schedule K.1
Intercompany Processing Expenses

Processing	RY 2014
Recycling	
Mixed-Paper Line	14,247
Source-Separated Line	1,288
Mixed-Commercial Line	3,194
Single-Stream Line	114,408
Roll-off Recycle	54,189
Other Recycle	114
Total Recycling Tons	187,440
Compostables	
Commercial Compostables	90,976
Fantastic 3 Compostables	66,776
Total Compostables Tons	157,751
Total Processing Tons	345,192
Processing Fee per Ton	\$ 0.56
Total Processing Charges	
Recycling	
Mixed-Paper Line	\$ 8,022
Source-Separated Line	725
Mixed-Commercial Line	1,799
Single-Stream Line	64,419
Roll-off Recycle	30,511
Other Recycle	64
Total Recycling	\$ 105,540
Compostables	
Commercial Compostables	\$ 51,225
Fantastic 3 Compostables	37,599
Total Compostables	\$ 88,823
Total Processing Expenses	\$ 194,363

Recology San Francisco Rate Schedules

<u>Description</u>	<u>Schedule</u>
Processing and Disposal Rates	A
Rate Calculations - Processing and Disposal	B
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Total Operating Expenses	D
Tonnage	E
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Bridge Toll Expenses	L.4
Contract Services Expenses	L.5
Utility Expenses	L.6
Professional Services Expenses	M.1
Corporate Services Expenses	M.2

Recology San Francisco
Rate Application, Schedule A
Processing and Disposal Rates

	RY 2014
Current Tipping Fee per Ton	\$ 140.76
Proposed Tipping Fee per Ton	\$ 149.84

Recology San Francisco
Rate Application, Schedule B
Rate Calculations - Processing and Disposal

		RY 2014
Operating Ratio Expenses	\$	100,482,302
Calculated Operating Ratio Expenses		100,482,302
<i>Allowed Operating Ratio</i>		<i>91.00%</i>
Operating Expense with Operating Ratio	\$	110,420,113
Existing Capital Charge		-
<u>Non-Operating Ratio Expense</u>		
Impound Account	\$	3,232,765
Altamont Disposal		4,362,273
<u>Revenue</u>		
Other Commercial Revenues		(988,704)
Recycling Revenues		(20,836,599)
Diversion Incentive		2,481,351
Net Revenue Requirement	\$	98,671,200
<i>Percent Increase</i>		<i>6.45%</i>
Current Tipping Fee per Ton	\$	140.76
Proposed Tipping Fee per Ton	\$	149.84
Total Revenue Tons		658,521
Operating Expenses with 89% OR	\$	112,901,463
Variance to 91% OR		2,481,351
Net Revenue Requirement @ 89% OR	\$	98,671,200

**2013 RATE APPLICATION
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Schedule C

Recology San Francisco

Recology San Francisco (RSF)
Summary of Significant Assumptions

The following schedule describes the projected revenues and expenses for Recology San Francisco as well as the assumptions underlying those projections.

I. OVERVIEW

Recology San Francisco operates material processing facilities located at the Tunnel and Beatty complex and Piers 94 & 96 in San Francisco. At Tunnel and Beatty, RSF operates a transfer station, construction and demolition debris recovery facility (the iMRF), an enclosed public reuse and recycling area (PRRA) with an adjacent covered sort line, an organics transfer area, a household hazardous waste facility, and scale facilities. RSF recycles asphalt and concrete at Pier 94. At Pier 96, RSF operates Recycle Central, which is a large-scale material recovery facility that processes residential and commercial recyclables.

II. TONNAGE

A. Incoming Tons

Total tonnage is based on incoming tonnage for the twelve months ending January 2013. Detailed tonnage projections are provided in Schedule E. While total tonnage collected and handled per day by the San Francisco Companies is expected to remain relatively constant for the two years through June 2014, it is assumed that changes in customer generation habits such as digital media will continue to reduce the mixed paper included in recycling programs processed at Recycle Central. Tonnage shifts in operations at Tunnel and Beatty are also expected, as additional compostable materials are diverted for composting through trash processing. Some material, including material from public litter cans and street sweepings, is excluded from the revenue tonnage base used for setting rates. Total revenue tons are the tonnages for which revenues are received.

B. Disposal Tons

The tons of trash delivered to the landfill for disposal are “disposal tons.” Disposal tons are calculated by subtracting diverted tons from total incoming tonnage. Projected disposal tons are based on incoming tons for the twelve months ending January 2013, with an adjustment to account for the anticipated reduction in disposal tons due to continued migration to recycling and composting as well as the processing of trash in 2013.

C. Diverted Tons

Incoming tons that are diverted from the landfill are “diverted tons.” Diverted tons include commodities recovered at Recycle Central and Tunnel and Beatty. These programs are discussed in more detail below.

III. DIVERSION PROGRAMS

A. Recycle Central

1. Comingled Recyclables Processing (Fantastic 3)

Sort lines at Recycle Central process comingled recyclables from the blue bins in the Fantastic 3 program. Currently, three sortlines are used to separate cardboard, mixed paper, bottles, cans, etc.

2. Mixed Paper Processing

The Mixed Paper sort line continues to process dry materials with high paper content and for customers on a co-collection program. This material is sorted by discarding the bagged trash so that the remaining dry paper and cardboard can be sorted and sent to a baler for recycling. Volumes for mixed paper are projected to remain relatively constant over the upcoming rate period.

3. Source Separated Processing

The Source-Separated program consists of collected materials that are presorted by the customer, as well as buyback and drop-off materials. These materials require no sorting and are ready to bale or store in bunkers with similar commodities ready for shipment. Volumes for source separated activities are projected to remain relatively constant over the upcoming rate period.

4. Mixed Commercial Processing

The Mixed Commercial sort lines are designed to allow separation of recyclables from other materials collected in San Francisco that are not presorted by the customer. Currently, there are two sort lines capable of processing dry commercial material.

B. Construction-and-Demolition Debris Recovery

Construction-and-demolition debris is processed for recovery at the Integrated Material Recovery Facility (iMRF) at Tunnel and Beatty. The facility has been in operation since July 1, 2003. During the upcoming rate period, RSF plans to operate the facility with two shifts, five days per week and one shift on Saturday. Throughput is projected to remain relatively constant at 340 tons per day, and is assumed to have a diversion rate of 57 percent. Metal, wood, and fines make up the largest volume of diverted materials. Metal, plastics, and wood provide commodity revenues, while almost all other recovered materials require a disposal or processing fee.

C. Compostables Transfer

RSF uses a dedicated compostables tipping and load-out area, known as the Organics Annex, in an existing building adjacent to the Transfer Station.

D. Public Reuse and Recycling Area

Materials from the public and commercial customers with vehicles not suited to utilize the transfer station are accepted at the PRRA seven days a week. RSF operates a covered sorting line five days per week to further process materials from the PRRA.

E. Trash Processing

RSF expects to begin processing organic-rich material from the black stream on the west side of the Transfer Station in May 2013. Material will be received from collection vehicles then loaded and processed through a screen to remove large items. Any recyclable materials, including bottles and cans, will be recovered from the screened material through a separate sorting process. The “unders” from the first screening will be loaded into a bio-separator which will separate the compostable material from remaining contaminants, such as film plastics. The resulting material will be loaded into end-dump trailers and taken to the EBMUD wastewater treatment plant in Oakland where it will be deposited into a digester and converted to electricity.

The Company expects to operate the equipment 12 hours per day, five days per week requiring three loader operators and three material handlers.

IV. HAZARDOUS WASTE PROGRAMS

The various hazardous waste programs, the Electronic Waste and Universal Waste Program, the Waste Acceptance Control Program, and the Safe Needle Program are referred to as “Special Wastes” in the cost schedules.

A. Household Hazardous Waste Collection Facility

The Household Hazardous Waste Collection Facility (HHWCF) is operated four days per week and is open to the public three days per week (Thursday through Saturday). The facility accepts paint, batteries, used motor oil, solvents, household cleaners, and pesticides. Activities at the facility include bulking, packing, identifying unknown materials, and manifesting for shipment. The projections for the base program costs are based on current expenses and volumes at the facility.

B. Home and Drop-off Center Collection of Household Hazardous Waste

The rate application includes the program to collect HHW from homes, and to collect latex paint, fluorescent tubes, and pharmaceuticals from neighborhood drop-off locations. This program expanded the reach of the HHW services already offered at RSF’s HHWCF at Tunnel and Beatty by providing residents with an alternative to driving to the facility by offering the collection of waste from homes and neighborhood drop-off centers.

HHWCF technicians pick up batteries and paint from existing neighborhood drop-off collection sites along with servicing the door-to-door collections.

C. Waste Acceptance Control Program

The Waste Acceptance Control Program (WACP) is designed to fulfill the load-checking requirement of the waste disposal contract with the Altamont Landfill. Loads at the various processing locations system wide, including the iMRF, PRRA, Organics Annex, and Recycle Central are inspected for materials not allowed in the landfill. Projections for the program costs are based on current expenses.

D. Very Small Quantity Generator Program

Qualifying small business generators of hazardous waste in the San Francisco area may use the HHWCF by appointment for a fee on special days. Very Small Quantity Generator (VSQG) appointments are available on two days each month. The projections for the program costs are based on current expenses.

E. San Francisco Safe Needle Disposal Program

The Safe Needle Program is designed to encourage San Francisco residents to properly dispose of used hypodermic needles and syringes. Sharps containers are provided to pharmacies and other drop-off locations. All other projections for program costs are based on current expenses with a modest increase forecast for an additional 10 retail stores to be added in 2014.

V. OTHER PROGRAMS

A. Solar Energy at Recycle Central

In 2006, RSF entered into a joint project with the San Francisco Public Utilities Commission (SFPUC) for the installation of photovoltaic cells on the roof of Recycle Central. An 18,500 square foot, 245-kilowatt photovoltaic array was installed on the facility's south facing awning. Using renewable power is consistent with Recycle Central's mission, and every kilowatt of solar power used to sort recyclables decreases demand for grid-supplied electricity. Peak solar generation output corresponds with peak electricity demand time, resulting in maximum financial and environmental benefits. Over the last three years, approximately 545,000 kilowatts were generated annually from the solar array.

B. Energy Efficient Lighting at Tunnel and Beatty and Recycle Central

RSF will be having LED lighting installed by early 2013 at both Tunnel and Beatty and Recycle Central. In addition to improving the quality of the lighting, the energy savings from LED technology and automated light sensing monitors will be approximately 1,000,000 kilowatts annually.

VI. REVENUES

A. Tipping Fees

Tipping fees for processing, hauling, and disposal of materials delivered by the collection Companies and other customers are determined by dividing total revenue requirements by total revenue tons. A system-wide tipping fee is used for all of RSF's operations, including all operations at Tunnel and Beatty and Recycle Central. The tipping fee will be adjusted by a COLA mechanism, as described in the Narrative Summary, in the years following Rate Year 2014, until a new Rate Order is issued.

B. Recycling Revenues

The recycled commodity price assumptions for materials processed at Pier 96 are based on the average of the actual prices received for the previous five years. All market risks for price variances will be borne by RSF. Recycling revenue is calculated based on the projected recycled tons of each commodity multiplied by the assumed price per ton based on the five-year average for each commodity.

C. Impound Account

The funding for the Impound Account is based on the terms of previous Rate Orders. Contributions to the Impound Account are based on the payment requirements for (1) royalty fees to Alameda County, (2) regulatory fees associated with the Altamont Protocol Agreement, and (3) agreed funding of the Alameda County Open Space fees. Payments from RSF are deposited into the Impound Account on a monthly basis.

The proposed funding for the Impound Account in this rate application is based on actual monthly tons delivered to the Altamont landfill, multiplied by the respective tonnage related fees.

D. Operating Ratio

The rate application utilizes a base operating ratio (OR) of 91 percent, along with Zero Waste Incentives equivalent to up to two percent OR if the Companies achieve targets, as described in the Narrative Summary.

VII. EXPENSES

A. Wages

Union wages are based on ratified union contracts that run through December 31, 2016. The union wages included in the application contain COLAs of 3% effective as of July 1, 2013 and January 1, 2014. The actual contractual COLAs are between 3% and 5%, and any increase in excess of the 3% minimum will be borne by the Company. Future increases will be included in the COLA described in the Narrative Summary. Payroll expenses are computed based on the projected employee count and wage increases as described above. The employee count assumes changes to operations to meet the City's diversion goals. For

example, employees are being added at Tunnel and Beatty for trash processing. Trash hauling to the landfill is based on projected outgoing tons, and recyclables and compostables hauling are based on increasing diverted volumes sent to end-markets and processors.

B. Payroll Taxes

Payroll taxes are projected based on current city, state, and federal tax rates.

C. Health and Welfare (including Postretirement)

Health and welfare programs are offered to Recology employees through several service providers include medical, prescription drug, dental, and vision coverage, as well as long-term disability and life insurance.

During the last several years the Companies have experienced significant increases in the cost of health care coverage. The current cost of coverage is over \$1,600 per employee per month and is expected to exceed \$1,700 per month in rate year 2014.

The Companies have implemented changes to the non-union health benefits in an effort to control costs, including increased co-payments and benefit reductions. Union programs are governed by the contractual obligations and program changes are limited.

The projected cost contained in the rate application for health and welfare benefits is based on the 2013 costs, inflated by 6.6% for the second half of the year (health insurance rates are set on a calendar year basis and adjusted for rate years). The 6.6% inflation factor was developed by the Companies' outside actuaries and is based on historical cost increases. The inflation estimate will be updated for the final application based on the best then available information.

The health and welfare cost projections include a reinsurance fee expected in 2014 as part of the Affordable Care Act. Early this year in March, Health and Human Services (HHS) finalized its regulations regarding the reinsurance fee. This fee applies to all employer group health plans starting in 2014. It is expected that for 2014, the fee will be in the range of \$60-\$110 per year, per covered life (not just per employee). Postretirement costs in the rate application represent the cost of participation in the Teamsters Benefit Trust sponsored Retirement Security Plan (RSP). The RSP provides postretirement medical benefits for union members qualifying for retirement under terms of the collective bargaining agreements. The RSP cost is paid monthly for each eligible employee. The costs have increased approximately 12% per year over the last few years. The current monthly cost of the base program is \$441.93 per month and is expected to increase by 11% to \$490.54 as of July 1, 2013.

In addition to the base RSP program, the Companies agreed to provide a supplemental RSP benefit, in exchange for elimination of the Recology Rule of 84 postretirement medical benefit (Rule of 84 Benefit). The supplemental RSP benefit reflects program changes designed to make the RSP mirror the Rule of 84 Benefit. This results in an additional premium of 10% of the base cost of the RSP, or approximately \$49 per month per employee during the rate period. The total cost of approximately \$200,000 is offset by savings of \$1.6 million, based on the 2011 cost of the Rule of 84 Benefit program.

D. Pension

Pension costs are based on projected contributions required to meet Employee Retirement Income Security Act ("ERISA") pension plan funding requirements as determined by the Company's pension plan actuary. During the last few years, RSF, through its parent Company, Recology Inc., has made increased pension contributions, in an effort to improve the funding status and health of the Recology sponsored pension plan. RSF's share of the contribution in RY2012 was \$8.2 million, up from an average of \$4.4 million during the last five year rate period. Recology has also frozen the Plan with respect to new non-union personnel, who now participate in a defined contribution plan that is not subject to fluctuating funding requirements.

Contributions are expected to be \$4.7 million in RY2013 and \$4.3 million in RY2014. It is expected, based on actuarial analysis from Recology's third-party actuaries, that future contributions will be stable at approximately \$4.5 million based on current expectations for discount rates, returns on assets and relatively static employment levels.

The Company also provides pension benefits for employees represented by Operating Engineers Local 3 under a separate union sponsored plan. The plan is funded as a cost per hour for each participating employee. The contribution per hour for that plan is expected to increase 13% in 2013 and another 6.6% in 2014, based on information provided by the union.

E. Workers' Compensation

Workers' compensation expense covers the costs associated with workers injured on the job. These costs arise from temporary and permanent disability, medical care and medical evaluation, claims administration, insurance premiums, legal fees, and ancillary administrative functions. The Company participates in a risk pool with all other Recology operating companies. Workers' compensation rates and allocations are established for the specific historical experience of each Company as prepared by a third-party administrator.

Workers' compensation costs have risen in general over the past several years due to increases in the indemnity payments and the return of double-digit medical inflation. Changes in legislation that led to decreases in some areas in the mid 2000s have been undercut by increases in benefits attributed to recent court decisions, and more liberal rules regarding disputes and appeals. The Company is continuing to focus on safety training, return to work programs, and improvement in work processes. In spite of those efforts, workers' compensation costs remain high and are expected to increase during the rate period. The cost of workers' compensation is expected to increase 7.2% during RY2013 and an additional 7.3% during RY2014.

F. Property Rent

Property rent represents the cost for the lease payments to the Port of San Francisco for the Pier 96 recycling facility, and concrete and asphalt recycling operations at Pier 94. The monthly lease rates are determined by the signed lease, and are adjusted annually by a cost of living index, and adjusted every five years to fair market rent.

G. Liability Insurance

The Company participates in a risk pool with all other Recology operating companies to cost effectively manage the Recology insurance program. Liability insurance premium projections are based on information provided by the Company's insurance brokers and actuaries, along with projected claims costs associated with fleet operations. Claims costs are allocated to the Company based on their individual claims experience. Other costs are allocated based on a series of measures developed to reflect each participating company's relative size and risk profile.

H. Hauling and Disposal Costs

The disposal costs for the rate period ending June 2014 are projected based on estimated tonnage and the disposal rate according to the disposal agreement with Altamont Landfill. Disposal tonnage includes residual trash from Recycle Central as well as tonnage placed directly in transfer trailers at Tunnel and Beatty. All trash is hauled by RSF. Compostable material coming out of the Organics Annex is hauled by RSF personnel.

The hauling costs for Recycle Central operations for the rate period ending June 2014 are projected based on estimated recycled commodity tonnage. Certain recyclables are hauled by the long-haul fleet of RSF, although most recycled commodities are hauled to market by outside trucking companies. Costs associated with hauling to recycling markets are based on current haul prices, adjusted for expected chassis surcharges applied by the shipping lines used by RSF.

I. Other Processing Costs

Compostables require processing fees from third parties to be accepted by them. Such fees for diverted materials are included in processing costs and are based on tipping fees charged by compost facilities utilized by RSF, including Recology Grover and Jepson Prairie Organics. Tipping fees charged by these compostables processors are set at market rates.

J. Equipment and Vehicle Parts

Costs related to repair of equipment and vehicles are based on the average cost for rate years 2010 through 2012, adjusted for inflation.

K. Fuel and Oil

Costs are projected based on total tonnage volumes and miles for the transfer fleet, and historical usage for the support equipment. RSF plans to utilize five new-generation LNG transfer trucks starting in Rate Year 2014. Fuel costs are based on \$3.95 per gallon for bio-diesel, \$4.17 per gallon for regular diesel, \$3.87 per gallon for off-road diesel, \$3.65 per gallon for unleaded gasoline, \$1.29 per gallon for LNG and \$2.97 for propane.

L. Maintenance Costs

Costs at Recycle Central and Tunnel and Beatty are projected based on a three-year historical

average, adjusted for inflation.

M. Utilities

Utility costs at Recycle Central and Tunnel and Beatty are projected based on historical usage, adjusted for new equipment and LED lighting as noted above.

N. Operating and Office Supplies

Costs at Recycle Central and Tunnel and Beatty are projected based on historical averages with an adjustment for inflation.

O. Tax, Licenses and Permits

Costs are projected based on existing fees, adjusted for inflation at 2.0% and 2.2% for rate years 2013 and 2014, respectively. Business tax is adjusted to reflect an increase of \$176,000 resulting from the estimated impact of the new ordinance amending the Business and Tax Regulations effective January 1, 2014. Licenses and Permits also include a \$2.1 million charge for a Brisbane recycling fee. This new annual fee, assessed by the City of Brisbane based on recycling activity within Brisbane City limits, is effective as of the year ended June 30, 2013 and beyond.

P. Professional and Contract Services

The projections for professional and contract services are based on current experience and the expected future needs for services during the next rate period. Engineering and legal cost estimates have increased with the anticipated increase in activity related to the zero waste facility development project.

Q. Corporate Services

Human Resources (HR) provides benefits, employment law, employee training and employee management support services. The cost projections are based on the RY2012 costs associated with Recology's HR Department, adjusted for inflation. These costs are allocated to RSF based on the percentage of their employees proportional to the total Recology employee count.

Corporate Management provides general operations and corporate support services. Corporate Management cost projections are based on the RY2012 costs of management services provided by the Corporate Office, adjusted for inflation. These costs are allocated to RSF based on their percentage of Recology's total revenue.

Environmental Compliance provides planning, permitting and compliance support services. Environmental Compliance costs are based on RY2012 costs of Recology's Environmental Compliance Department, adjusted for inflation. These costs are allocated to RSF based on their percentage of Recology's total revenue.

Information Technology (IT) provides systems development and support for all technologies, including computers, phones, etc. IT costs are based on RY2012 costs of Recology's Information Technology Department, adjusted for inflation. These costs are allocated to RSF based on series of measures that approximate computer usage — the percentage of Recology's checks written and customer counts that are attributable to RSF.

Corporate Accounting provides audit, internal audit, treasury and other financial services. Accounting costs are based on RY2012 costs of Recology's Finance Department, adjusted for inflation. These costs are allocated to RSF based on their percentage of Recology's total revenue.

Sustainability provides support for sustainability issues, including emerging technologies, green energy and water initiatives and regulatory support related to sustainability and air, water, and land use issues. Sustainability costs are based on RY2012 costs for the Sustainability department, adjusted for inflation and for changes in personnel. Sustainability costs are allocated to RSF based on their percentage of Recology's total revenue.

R. Office, Telephone and Supplies Expense

Costs related to telephone, office expenses, and supplies are based on the RY2012 cost, adjusted for inflation at 2.0% and 2.2% for rate years 2013 and 2014, respectively.

S. Other Expenses

Other expenses include repairs, equipment rental, security, janitorial, facility repairs, utilities, and miscellaneous expenses. These expenses are projected based on RY2012 actual results with 2.0% and 2.2% annual adjustments for inflation, respectively.

T. Capital Expense

Capital requirements for trucks, equipment, and leasehold improvements are projected over the rate period. Costs are added as equipment is acquired and leased over specified lease years. Generally, lease terms are assigned as follows:

Trucks and Rolling Equipment	7 years
Stationary Equipment	10 years
Furniture & Fixtures	8 years
Facility Improvements	15 years or shorter of lease

The lease rates are calculated based on the asset lives shown above utilizing an implicit interest rate of 3.71%. The interest rate is reset on a monthly basis, based on the cost of capital for Recology. RSF believe adequate financing will be available for all capital expenditures from Recology's line of credit, lease lines with third party lessors, and/or California Pollution Control Financing Authority financing.

Recology San Francisco
Rate Application, Schedule F.1

Historical and Projected Tipping Fee Revenues

	Actual		Projection	Rate Application
	RY 2011	RY 2012		
<u>Tonnage Charged by Tipping Fee</u>				
Recology Sunset Scavenger/Golden Gate				
Recycle Central	133,459	131,905	131,587	133,137
Compostables	141,358	151,697	154,547	157,751
iMRF	43,683	51,608	53,981	54,189
Trash	264,015	253,785	257,795	255,133
Other	6,827	4,826	4,152	7,254
Subtotal (Recology Sunset Scavenger/Golden Gate)	589,343	593,821	602,062	607,464
Public Customers	38,811	35,266	33,406	33,534
Commercial Customers	13,265	14,201	15,950	16,011
Total San Francisco Tons	641,419	643,287	651,418	657,009
Non-San Francisco Tons	1,498	1,962	1,512	1,512
Total Tons Charged by Tipping Fee	642,916	645,249	652,930	658,521
<i>Rate Per Ton</i>	\$ 140.76	\$ 140.76	\$ 140.76	\$ 149.84
<u>Transfer and Processing Revenue</u>				
Recology Sunset Scavenger/Golden Gate				
Recycle Central	18,785,751	18,566,938	18,522,186	19,948,929
Compostables	19,897,552	21,352,870	21,754,036	23,637,075
iMRF	6,148,819	7,264,342	7,598,366	8,119,487
Trash	37,162,751	35,722,777	36,287,224	38,228,415
Other	960,997	679,266	584,436	1,086,917
Subtotal (Recology Sunset Scavenger/Golden Gate)	82,955,870	83,586,192	84,746,247	91,020,823
Public Customers	5,462,967	4,964,051	4,702,229	5,024,723
Commercial Customers	1,867,243	1,998,898	2,245,122	2,399,100
Total San Francisco Revenue from Tipping Fee	90,286,080	90,549,141	91,693,598	98,444,645
Non-San Francisco Revenue from Tipping Fee	210,825	276,132	212,829	226,554
Total Revenue from Tipping Fee	90,496,905	90,825,274	91,906,427	98,671,200

Recology San Francisco
 Rate Application, Schedule F.2
Impound Account

2.2%

Item Description	Projection		Rate Application	
	RY 2013	RY 2014	RY 2013	RY 2014
Alameda County Planning Department	\$	0.075	\$	0.075
Incremental LEA Fee		0.311		0.311
Open Space Fees		1.660		1.697
Annual WDR Fee		0.030		0.030
Fees Per Ton to Altamont Disposal	\$	2.076	\$	2.113
Business Tax License		0.95		0.95
Waste Management Authority of Alameda County		5.97		5.97
Estimated COLA in RY 2014				0.13
	Annual Tons	Payments	Annual Tons	Payments
Altamont Disposal Fees	366,912	\$ 761,709	352,773	\$ 745,241
Waste Management Authority of Alameda County		2,190,464		2,152,390
Business Tax License		348,566		335,135
San Francisco Department of the Environment		7,676,638		8,893,753
San Francisco Department of Public Works		1,300,646		2,140,646
DPW Staff Time		95,428		
City Portion of Rate Proceeding Costs		550,000		2,580,000
San Francisco Department of Public Works		2,580,000		1,000,000
ECO				
Impound Account Disbursement	366,912	\$ 15,503,451	352,773	\$ 17,847,164
Projected Balance with Fixed and Variable Funding				
Beginning Balance		\$ 467,480		\$ 468,580
Disbursement		(18,083,451)		(20,427,164)
Deposit from Recology San Francisco		15,503,451		17,847,164
San Francisco Department of Public Works		2,580,000		2,580,000
Interest on ending balance		1,100		1,100
Ending Balance on Impound Account		\$ 468,580		\$ 469,680
Allocation of Impound Account				
Recology San Francisco		\$ 3,300,739		\$ 3,232,765
Sunset Scavenger Company/Golden Gate Recycling & Disposal Company		12,202,712		14,614,399
Total Impound Account		\$ 15,503,451		\$ 17,847,164

Recology San Francisco
Rate Application, Schedule F.3
Recycling Revenue

	Actual			Projection		Rate Application		
	RY 2011		RY 2012		RY 2013		RY 2014	
	Tons		Tons		Tons		Tons	
Recycle Central								
Mixed Paper	77,049		71,609		70,899		70,899	
Cardboard	37,855		38,247		36,527		36,527	
White Ledger	1,949		359		268		268	
Coated Book Stock	700		439		385		385	
Aluminum	567		527		501		501	
Metal/Ferrous	1,978		1,815		1,771		1,771	
PET	1,685		1,423		1,451		1,451	
HDPE Blend	1,614		1,485		1,399		1,399	
Mixed Plastics 3-7	207		216		565		565	
Flint Glass	1,325		832		667		667	
Amber Glass	1,175		742		596		596	
Green Glass	859		590		401		401	
Mixed Glass	17,311		17,125		17,503		17,503	
Glass Fines	700		1,154		1,291		1,291	
Total Tons	144,973		136,563		134,225		134,225	
Price Per Ton								
Mixed Paper	\$ 145.03		\$ 138.14		\$ 102.16		\$ 121.75	
Cardboard	194.77		182.62		150.48		160.05	
White Ledger	276.52		293.14		232.98		258.39	
Coated Book Stock	235.26		195.36		153.05		193.30	
Aluminum	4,214.02		4,106.64		4,315.63		4,116.70	
Metal/Ferrous	185.71		196.79		141.24		155.10	
PET	2,255.20		2,259.79		2,062.61		2,080.56	
HDPE Blend	613.46		659.18		594.02		745.30	
Mixed Plastics 3-7	61.69		58.53		55.89		58.62	
Flint Glass	241.28		155.59		148.32		186.42	
Amber Glass	296.96		150.59		143.32		193.30	
Green Glass	264.48		141.59		134.32		179.57	
Mixed Glass	108.28		120.58		128.33		131.17	
Glass Fines	106.10		120.59		128.33		131.17	
Revenue								
Mixed Paper	\$ 11,174,370		\$ 9,892,077		\$ 7,243,045		\$ 8,631,957	
Cardboard	7,373,079		6,984,671		5,496,517		5,846,076	
White Ledger	538,911		105,241		62,439		69,249	
Coated Book Stock	164,586		85,771		58,924		74,421	
Aluminum	2,388,927		2,164,528		2,161,613		2,061,973	
Metal/Ferrous	367,393		357,180		250,087		274,628	
PET	3,799,239		3,215,363		2,993,507		3,019,558	
HDPE Blend	989,988		978,913		830,915		1,042,526	

Recology San Francisco
 Rate Application, Schedule F.3
Recycling Revenue

	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Mixed Plastics 3-7	12,752	12,647	31,601	33,145		
Flint Glass	319,807	129,504	98,977	124,402		
Amber Glass	348,998	111,676	85,419	115,207		
Green Glass	227,175	83,599	53,839	71,977		
Mixed Glass	1,874,448	2,064,927	2,246,213	2,295,922		
Glass Fines	74,229	139,171	165,714	169,381		
Recycle Central Revenue	\$ 29,653,901	\$ 26,325,268	\$ 21,778,809	\$ 23,830,420		
Recycle Central Operations	Tons	Tons	Tons	Tons		
Metal	7,893	6,968	6,984	6,984		
Wood	11,985	13,194	12,887	12,887		
Mixed Rigid Plastic	2,011	1,936	1,935	1,935		
SB20/50 E-Waste	887	438	424	424		
Total Tons	22,776	22,536	22,230	22,230		
Price Per Ton						
Metal	\$ 204.80	\$ 232.11	\$ 193.18	\$ 193.18		
Wood	14.90	18.20	19.39	19.39		
Mixed Rigid Plastic	161.94	137.63	155.36	155.36		
SB20/50 E-Recycling	216.36	336.60	336.61	336.61		
Revenue						
Metal	\$ 1,616,492	\$ 1,617,389	\$ 1,349,073	\$ 1,349,073		
Wood	178,586	240,130	249,887	249,887		
Mixed Rigid Plastic	325,644	266,411	300,626	300,626		
SB20/50 E-Recycling	191,914	147,298	142,829	142,829		
Recycle Central Revenue	\$ 2,312,636	\$ 2,271,228	\$ 2,042,414	\$ 2,042,414		
Sustainable Crushing Revenue	\$ 1,504,677	\$ 1,673,810	\$ 1,684,272	\$ 1,726,379		
Miscellaneous Recycling	\$ 32,837	\$ 22,614	\$ -	\$ -		
Total Recycling Revenue	\$ 33,504,051	\$ 30,292,921	\$ 25,505,496	\$ 27,599,214		
Processing Expenses	(420,480)	(422,866)	(432,853)	(432,853)		
Purchases (Schedule K.2)	(8,524,133)	(7,148,323)	(6,329,761)	(6,329,761)		
Net Recycling Revenues	\$ 24,559,438	\$ 22,721,732	\$ 18,742,881	\$ 20,836,599		

Recology San Francisco
 Rate Application, Schedule F.4
Other Revenue

	Actual		Projection	Rate Application
	RY 2011	RY 2012		
Non-Rate Revenue	887,542	511,507	416,304	416,304
VSQG/HHWCF Charges			-	-
Intercompany Dirt, Inerts & Others	117,859	527,527	528,000	528,000
Rental Income	65,250	50,400	44,400	44,400
Total Other Revenue	1,070,651	1,089,434	988,704	988,704

Recology San Francisco
Rate Application, Schedule D
Total Operating Expenses

Item Description	Sch Ref	RY 2007 - RY 2012										Inflation			RY 2013			RY 2014		
		Actual RY 2007	Actual RY 2008	Actual RY 2009	Actual RY 2010	Actual RY 2011	Actual RY 2012	Actual (Jul-Jan)	Annualized Actual (Jul-Jan)	Changes from Annualized Actual %	Projected Expense	Changes from Prior Year	%	Projected Expense	Changes from Prior Year	%				
Payroll	G.1	25,564,660	28,632,621	30,304,597	31,052,502	32,277,749	32,672,583	19,198,936	32,912,462	523,386	1.6%	33,435,847	1,875,250	5.6%	35,311,088	1,875,250	5.6%			
Payroll Taxes		2,041,041	2,316,912	2,436,790	2,552,919	2,659,597	2,678,593	1,526,223	2,616,382	124,785	4.8%	2,741,168	124,785	4.6%	2,894,906	124,785	4.6%			
Pension	G.2	4,460,974	3,610,734	4,630,590	4,587,209	4,564,068	8,877,924	3,765,199	6,454,627	(882,784)	-13.7%	5,571,843	(533,948)	-6.4%	5,217,897	(533,948)	-6.4%			
Health Insurance	G.3	6,165,282	7,584,275	7,516,267	8,803,420	9,829,924	9,146,778	5,276,522	9,045,466	1,006,837	11.1%	10,052,304	1,270,681	12.6%	11,322,985	1,270,681	12.6%			
Workers Compensation	G.4	1,707,182	1,814,475	2,747,589	3,123,622	3,096,141	2,668,814	1,151,175	1,973,443	447,083	22.7%	2,420,826	173,542	7.2%	2,594,068	173,542	7.2%			
Total Payroll & Related		\$ 39,939,138	\$ 43,959,467	\$ 47,608,834	\$ 50,119,671	\$ 52,427,479	\$ 56,044,691	\$ 30,918,055	\$ 53,002,381	\$ 1,219,307	2.3%	\$ 54,221,688	\$ 3,119,266	5.8%	\$ 57,340,954	\$ 3,119,266	5.8%			
Bad Debt		(3,528)	(1,019)	5,200	5,186	7,775	37,038	(13,406)	(22,982)	39,648	-172.5%	16,666	367	2.2%	17,033	367	2.2%			
Bridge Tolls	L.4	331,724	155,406	261,910	349,414	355,965	553,010	474,307	813,098	18,482	-2.3%	794,616	10,664	1.3%	805,280	10,664	1.3%			
Building & Facility Repair		568,772	689,690	593,380	645,480	714,291	573,533	227,525	390,043	294,392	65.2%	644,435	66,138	10.3%	710,572	66,138	10.3%			
Contract Services	L.5	163,435	500,933	218,736	390,071	148,407	483,384	235,922	404,438	18,567	4.6%	423,005	(110,512)	-26.1%	312,493	(110,512)	-26.1%			
Corporate Accounting Services	M.2	174,207	227,430	184,959	183,816	227,268	178,938	87,775	150,471	34,551	23.0%	185,022	6,291	3.4%	191,312	6,291	3.4%			
Corporate Management	M.2	206,400	171,985	152,689	201,354	154,663	70,780	121,338	1,213,304	(25,011)	-2.1%	1,188,294	(22,761)	-1.9%	1,165,533	(22,761)	-1.9%			
Depreciation	H.1	951,429	1,038,556	1,098,393	1,154,467	1,209,590	1,181,701	707,761	1,213,304	41,126	3.4%	1,213,304	41,126	3.4%	1,213,304	41,126	3.4%			
Environmental Compliance	M.2	61,383	68,479	42,929	49,532	53,429	39,680	23,990	41,126	(97)	-0.2%	41,029	1,395	3.4%	42,424	1,395	3.4%			
Freight	L.1	1,059,973	1,136,437	1,119,771	1,066,317	1,034,044	1,017,047	693,608	1,189,042	(90,141)	-7.6%	1,098,901	70,653	6.4%	1,169,554	70,653	6.4%			
Fuel	L.3	2,724,653	3,716,612	2,883,070	2,760,989	3,613,923	3,630,298	2,432,543	4,170,074	(154,829)	-3.7%	4,015,244	(15,235)	-0.4%	4,000,009	(15,235)	-0.4%			
Human Resources	M.2	246,045	275,503	318,338	342,038	330,476	228,460	391,645	(49,933)	341,713	-12.7%	8,162,110	158,447	1.9%	8,320,557	158,447	1.9%			
I/C Processing & Disposal	J.1	3,364,046	3,018,338	3,786,848	5,705,439	6,985,207	7,627,338	4,893,988	8,389,694	(227,584)	-2.7%	8,162,110	158,447	1.9%	8,320,557	158,447	1.9%			
IT Services	M.2	491,504	537,980	547,906	567,433	523,184	546,703	367,961	630,789	(65,499)	-10.4%	565,291	19,220	3.4%	584,511	19,220	3.4%			
Lease	H.1	8,764,807	9,392,874	10,300,306	10,573,269	10,810,102	10,737,221	6,130,318	10,509,117	(1,487,882)	-14.2%	9,021,235	(3,125,784)	-34.6%	5,895,450	(3,125,784)	-34.6%			
Liability Insurance	L.1	1,060,317	1,124,325	1,111,574	961,951	959,008	820,537	527,178	903,734	(29,033)	-3.2%	874,701	61,303	7.0%	936,004	61,303	7.0%			
License & Permits	L.2	237,005	263,508	278,023	313,140	296,566	295,502	1,094,619	1,876,490	524,922	28.0%	2,401,412	6,631	0.3%	2,408,043	6,631	0.3%			
O/S Disposal	J.2, J.3	9,924,902	8,770,420	7,937,961	6,518,628	5,535,719	5,480,099	3,239,563	5,553,519	5,416	0.1%	5,558,935	(59,355)	-1.1%	5,499,580	(59,355)	-1.1%			
O/S Equipment Rental		264,404	240,287	268,596	284,159	359,891	352,966	248,107	425,326	(65,301)	-15.4%	360,025	7,921	2.2%	367,946	7,921	2.2%			
O/S Processing	K.1	169,540	142,191	305,181	345,199	267,866	298,176	165,336	283,433	20,706	7.3%	304,140	6,691	2.2%	310,831	6,691	2.2%			
Office	L.2	1,158,843	1,125,305	1,257,081	1,311,713	1,303,332	1,177,109	755,397	1,294,966	(30,915)	-2.4%	1,264,051	27,809	2.2%	1,291,860	27,809	2.2%			
Parts		6,683	7,813	6,594	9,884	4,691	1,627	1,604	2,750	(1,090)	-39.6%	1,660	37	2.2%	1,696	37	2.2%			
Postage		479,053	1,803,307	1,154,667	1,079,697	1,571,258	1,471,000	1,110,649	1,903,970	(123,695)	-6.5%	1,780,274	178,506	10.0%	1,958,781	178,506	10.0%			
Professional Services	M.1	2,064,931	2,170,049	2,494,430	2,820,354	3,148,838	3,363,534	1,881,499	3,225,427	336,120	10.4%	3,561,547	65,746	1.8%	3,627,292	65,746	1.8%			
Property Rental		394,191	467,154	700,201	412,896	365,842	537,980	295,196	506,050	(67,144)	-13.3%	438,906	9,656	2.2%	448,562	9,656	2.2%			
Repairs & Maintenance	L.2	679,816	711,533	727,188	740,809	817,915	843,343	497,701	853,202	7,008	0.8%	860,210	18,925	2.2%	1,568,208	18,925	2.2%			
Security & Janitorial		1,301,370	1,412,642	1,512,727	1,404,436	1,577,566	1,504,363	1,116,727	1,914,369	(379,939)	-19.8%	1,534,450	33,758	2.2%	1,568,208	33,758	2.2%			
Supplies		1,120,272	1,233,681	1,308,681	982,823	1,350,703	1,426,211	85,537	1,463,686	3,048	20.8%	1,768,4	601	3.4%	1,825	601	3.4%			
Sustainability	M.2	147,991	162,446	174,904	188,466	187,768	173,040	108,265	185,597	(9,096)	-4.9%	176,501	3,883	2.2%	180,384	3,883	2.2%			
Taxes		141,359	255,840	96,601	163,801	148,048	175,354	92,267	136,071	4,229	2.7%	162,401	3,573	2.2%	165,974	3,573	2.2%			
Telephone	L.2	937,978	1,070,385	1,148,796	1,174,487	1,174,487	1,247,496	779,375	1,336,071	19,335	1.4%	1,355,407	(60,380)	-4.5%	1,295,026	(60,380)	-4.5%			
Tires & Tubes	L.6	438,557	645,421	415,151	429,616	420,325	379,545	172,264	285,310	91,826	31.1%	387,136	8,517	2.2%	395,653	8,517	2.2%			
Utilities																				
Other																				
Total Operating Expenses		\$ 79,571,201	\$ 86,495,040	\$ 90,220,852	\$ 93,494,210	\$ 96,125,843	\$ 102,675,418	\$ 60,363,431	\$ 103,480,168	\$ (52,371)	-0.1%	\$ 103,427,797	\$ 1,416,779	1.4%	\$ 104,844,570	\$ 1,416,779	1.4%			

Non-Operating Ratio Expenses
Disposal
Operating Ratio Expenses

(4,362,273)
\$ 100,482,302

Recology San Francisco
Rate Application, Schedule E
Tonnage

	Actual RY 2007			Actual RY 2008			Actual RY 2009		
	Received	Diverted	% Diverted	Received	Diverted	% Diverted	Received	Diverted	% Diverted
Tunnel & Beatty Trash									
From Recology Sunset									
Fantastic 3	151,291	-	0.0%	146,993	-	0.0%	134,606	-	0.0%
Commercial	38,371	38,371	0.0%	34,618	34,618	0.0%	32,839	32,839	0.0%
Roll-off	30,810	30,810	0.0%	24,892	24,892	0.0%	21,945	21,945	0.0%
Bulky Item	301	301	0.0%	104	104	0.0%	87	87	0.0%
Total from Recology Sunset	220,773	220,773	0.0%	206,607	206,607	0.0%	189,477	189,477	0.0%
From Recology Golden Gate									
Fantastic 3	67,872	-	0.0%	65,383	-	0.0%	54,198	-	0.0%
Commercial	29,770	29,770	0.0%	22,872	22,872	0.0%	26,091	26,091	0.0%
Roll-off	45,949	45,949	0.0%	38,974	38,974	0.0%	31,272	31,272	0.0%
Bulky Item	58	58	0.0%	10	10	0.0%	4	4	0.0%
Total from Recology Golden Gate	143,649	143,649	0.0%	127,239	127,239	0.0%	111,565	111,565	0.0%
Total from Recology Sunset & Recology Golden Gate	364,422	364,422	0.0%	333,846	333,846	0.0%	301,042	301,042	0.0%
Tunnel & Beatty Compostables									
From Recology Sunset									
Fantastic 3	41,083	-	100.0%	45,188	44,884	99.3%	50,183	49,101	97.8%
Commercial	14,136	13,117	92.8%	15,800	15,694	99.3%	15,797	15,457	97.8%
Bulky Item	272	272	100.0%	-	-	0.0%	-	-	0.0%
Total from Recology Sunset	55,491	54,472	98.2%	60,988	60,578	99.3%	65,980	64,558	97.8%
From Recology Golden Gate									
Commercial	31,741	29,453	92.8%	36,696	36,421	99.3%	39,846	38,932	97.7%
Bulky Item	108	108	100.0%	-	-	0.0%	-	914	0.0%
Total from Recology Golden Gate	31,849	29,561	92.9%	36,696	36,421	99.3%	39,846	38,932	97.7%
From Other Sources									
Commercial Customers	788	788	100.0%	554	550	99.3%	669	613	91.6%
Department of Public Works	1,816	1,816	100.0%	1,791	1,779	99.3%	1,973	1,931	97.9%
Other City of San Francisco Departments	-	-	0.0%	-	-	0.0%	-	-	0.0%
Public Customers	89	89	100.0%	90	89	98.9%	462	452	97.8%
Total from Other Sources	2,693	2,693	100.0%	2,435	2,418	99.3%	3,104	2,996	96.5%
Total Compostables	90,033	86,726	96.3%	100,119	99,417	99.3%	108,930	106,486	97.8%
IMRF									
Roll-off from Recology Sunset	26,983	18,705	69.3%	31,012	19,799	63.8%	27,460	18,535	67.5%
Roll-off from Recology Golden Gate	53,068	36,786	69.3%	54,891	35,044	63.8%	36,352	24,519	67.4%
Commercial Customers	4,890	3,390	69.3%	5,764	3,677	63.8%	2,580	1,739	67.4%
Department of Public Works	62	43	69.4%	144	92	63.9%	243	164	67.5%
Other City of San Francisco Departments	-	-	0.0%	-	-	0.0%	-	-	0.0%
Public Customers	157	109	69.4%	1,888	1,888	100.0%	19	13	68.4%
Wood Collection Routes - RSS & RGG	1,997	1,384	69.3%	1,888	1,888	100.0%	-	-	0.0%
Total IMRF	87,157	60,417	69.3%	93,699	60,500	64.6%	66,654	44,970	67.5%
Tunnel & Beatty Other									
Commercial Customers	17,166	2,244	13.1%	13,944	2,039	14.6%	12,807	5,487	42.8%
Department of Public Works	35,395	5,784	16.3%	37,313	9,901	26.5%	32,500	7,310	22.5%
City Cans Allocation	28,752	28,752	0.0%	28,752	28,752	0.0%	28,752	28,752	0.0%
Public Customers	58,144	21,079	36.3%	55,525	30,442	54.8%	48,019	29,119	60.6%
Other City of San Francisco Departments	-	-	0.0%	-	-	0.0%	-	-	0.0%
Recology Sunset Bulky Item	4,082	3,187	78.1%	4,184	3,048	72.8%	4,104	3,110	75.8%
Recology Golden Gate Bulky Item	686	561	81.8%	373	285	76.4%	279	234	83.9%
Recology Sunset Inerts	23,655	23,398	98.9%	17,876	17,561	98.2%	10,336	10,097	97.7%
Recology Golden Gate Inerts	20,661	20,250	98.0%	16,603	16,311	98.2%	15,751	15,379	97.6%
Recology Sunset/Recology Golden Gate Tires	64	64	100.0%	134	134	100.0%	79	79	100.0%
Recology Sunset Window Glass	136	136	100.0%	92	92	100.0%	89	89	100.0%
Recology San Francisco Inerts	5,159	5,159	100.0%	9,136	9,136	100.0%	17,975	17,975	100.0%
Construction Material Reuse	12,513	12,431	99.3%	18,403	18,351	99.7%	11,565	11,430	98.8%
Adjustments (Inventory, moisture)	3,253	255	7.8%	3,614	101	2.8%	(205)	(400)	-100.0%
		2,998			2,998			2,998	

Recology San Francisco
Rate Application, Schedule E
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	Actual RY 2010			Actual RY 2011			Actual RY 2012		
	Received	Diverted	% Diverted	Received	Diverted	% Diverted	Received	Diverted	% Diverted
Tunnel & Beauty Trash									
From Recology Sunset									
Fantastic 3	119,856	-	0.0%	109,769	-	0.0%	106,169	-	0.0%
Commercial	31,238	31,238	0.0%	31,732	31,732	0.0%	29,996	29,996	0.0%
Roll-off	20,496	20,496	0.0%	21,610	21,610	0.0%	22,264	22,264	0.0%
Bulky Item	37	37	0.0%	25	25	0.0%	17	17	0.0%
Total from Recology Sunset	171,627	171,627	0.0%	163,136	163,136	0.0%	158,445	158,445	0.0%
From Recology Golden Gate									
Fantastic 3	50,518	-	0.0%	49,247	-	0.0%	46,909	-	0.0%
Commercial	26,350	26,350	0.0%	28,667	28,667	0.0%	28,746	28,746	0.0%
Roll-off	25,437	25,437	0.0%	22,965	22,965	0.0%	19,684	19,684	0.0%
Bulky Item	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total from Recology Golden Gate	102,305	102,305	0.0%	100,879	100,879	0.0%	95,339	95,339	0.0%
Total from Recology Sunset & Recology Golden Gate	273,932	273,932	0.0%	264,015	264,015	0.0%	253,784	253,784	0.0%
Tunnel & Beauty Compostables									
From Recology Sunset									
Fantastic 3	53,570	53,000	98.9%	60,785	60,520	99.6%	64,046	63,848	99.7%
Commercial	26,601	26,129	98.2%	28,296	28,173	99.6%	30,508	30,414	99.7%
Bulky Item	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total from Recology Sunset	80,171	79,129	98.7%	89,081	88,693	99.6%	94,554	94,262	99.7%
From Recology Golden Gate									
Commercial	45,783	45,208	98.7%	52,277	52,038	99.5%	57,143	56,960	99.7%
Bulky Item	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total from Recology Golden Gate	45,783	45,208	98.7%	52,277	52,038	99.5%	57,143	56,960	99.7%
Total from Recology Golden Gate									
From Other Sources									
Commercial Customers	744	726	97.6%	550	548	99.6%	643	641	99.7%
Department of Public Works	1,870	1,850	98.9%	1,883	1,875	99.6%	2,422	2,414	99.7%
Other City of San Francisco Departments	-	-	0.0%	-	-	0.0%	-	-	0.0%
Public Customers	804	795	98.9%	899	896	99.7%	782	779	99.7%
Total from Other Sources	3,418	3,371	98.6%	3,332	3,319	99.6%	3,847	3,835	99.7%
Total Compostables	129,372	127,708	98.7%	144,690	144,050	99.6%	155,543	155,057	99.7%
IMRF									
Roll-off from Recology Sunset	21,842	14,208	65.0%	17,185	10,969	63.8%	17,083	10,058	58.9%
Roll-off from Recology Golden Gate	25,814	16,792	65.0%	26,498	16,913	63.8%	34,525	20,327	58.9%
Commercial Customers	3,025	1,968	65.1%	3,178	2,019	63.5%	3,472	2,044	58.9%
Department of Public Works	67	44	65.7%	79	51	63.9%	101	60	58.9%
Other City of San Francisco Departments	-	-	0.0%	-	-	0.0%	-	-	0.0%
Public Customers	4	3	75.0%	18	11	63.8%	4	2	58.9%
Wood Collection Routes - RSS & RGG	-	-	0.0%	-	-	0.0%	-	-	0.0%
Total IMRF	50,752	33,015	65.1%	46,958	29,963	63.8%	55,184	32,490	58.9%
Tunnel & Beauty Other									
Commercial Customers	10,862	5,018	46.2%	10,405	3,809	36.6%	11,251	3,899	34.7%
Department of Public Works	32,667	5,981	18.3%	34,225	9,617	28.1%	30,828	7,438	24.1%
City Cans Allocation	28,752	28,752	0.0%	28,752	28,752	0.0%	28,752	28,752	0.0%
Public Customers	42,099	25,004	59.4%	37,215	21,203	57.0%	34,043	15,406	45.3%
Other City of San Francisco Departments	-	-	0.0%	-	-	0.0%	-	-	0.0%
Recology Sunset Bulky Item	4,112	3,021	73.5%	4,029	2,945	73.1%	4,219	2,845	67.4%
Recology Golden Gate Bulky Item	38	33	86.8%	33	33	100.0%	6	6	100.0%
Recology Sunset Inerts	6,772	6,615	97.7%	5,348	5,224	97.7%	6,923	6,904	99.7%
Recology Golden Gate Inerts	10,943	10,673	97.5%	10,043	9,747	97.1%	10,016	9,968	99.5%
Recology Sunset/Recology Golden Gate Tires	44	44	100.0%	32	30	100.0%	20	20	100.0%
Recology Sunset Window Glass	20	20	100.0%	30	30	100.0%	80	80	100.0%
Recology San Francisco Inerts	6,524	6,524	100.0%	5,086	5,086	100.0%	4,934	4,934	100.0%
Construction Material Reuse	7,582	7,354	97.0%	7,913	7,688	97.2%	7,389	7,110	96.2%
Adjustments (Inventory, moisture)	(10,135)	(232)		(1,149)	(711)		(508)	5,211	(5,720)

Recology San Francisco
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	Projected RY 2013			Projected RY 2014		
	Received	Diverted	% Diverted	Received	Diverted	% Diverted
Tunnel & Beatty Trash						
From Recology Sunset						
Fantastic 3	109,321	667	0.6%	108,175	10,045	9.3%
Commercial	29,274	246	0.8%	28,604	3,005	10.5%
Roll-off	21,847	-	0.0%	21,931	-	0.0%
Bulky Item	-	-	0.0%	-	-	0.0%
Total from Recology Sunset	160,442	913	0.6%	158,710	13,050	8.2%
From Recology Golden Gate						
Fantastic 3	49,494	-	0.0%	49,162	-	0.0%
Commercial	29,019	-	0.0%	28,348	-	0.0%
Roll-off	18,840	-	0.0%	18,912	-	0.0%
Bulky Item	-	-	0.0%	-	-	0.0%
Total from Recology Golden Gate	97,353	-	0.0%	96,422	-	0.0%
Total from Recology Sunset & Recology Golden Gate	257,795	913	0.4%	255,133	13,050	5.1%
Tunnel & Beatty Compostables						
From Recology Sunset						
Fantastic 3	64,440	64,241	99.7%	66,776	66,570	99.7%
Commercial	31,461	31,364	99.7%	31,582	31,485	99.7%
Bulky Item	-	-	0.0%	-	-	0.0%
Total from Recology Sunset	95,901	95,605	99.7%	98,358	98,054	99.7%
From Recology Golden Gate						
Commercial	58,646	58,458	99.7%	59,394	59,203	99.7%
Bulky Item	-	-	0.0%	-	-	0.0%
Total from Recology Golden Gate	58,646	58,458	99.7%	59,394	59,203	99.7%
Total from Other Sources	363	363	100.0%	364	364	100.0%
Department of Public Works	2,606	2,606	100.0%	2,616	2,616	100.0%
Other City of San Francisco Departments	577	577	100.0%	579	579	100.0%
Public Customers	649	649	100.0%	651	651	100.0%
Total from Other Sources	4,195	4,195	100.0%	4,211	4,211	100.0%
Total Compostables	158,742	158,258	99.7%	161,963	161,469	99.7%
IMRF						
Roll-off from Recology Sunset	17,060	10,202	59.8%	17,126	10,241	59.8%
Roll-off from Recology Golden Gate	36,921	22,079	59.8%	37,063	22,164	59.8%
Commercial Customers	2,856	1,708	59.8%	2,867	1,714	59.8%
Department of Public Works	127	76	59.8%	127	76	59.8%
Other City of San Francisco Departments	45	27	59.8%	45	27	59.8%
Public Customers	18	11	59.8%	18	11	59.8%
Wood Collection Routes - RSS & RGG	-	-	0.0%	-	-	0.0%
Total IMRF	57,027	34,102	59.8%	57,246	34,233	59.8%
Tunnel & Beatty Other						
Commercial Customers	8,032	2,784	34.7%	8,063	2,794	34.7%
Department of Public Works	27,421	3,491	12.7%	24,440	3,112	12.7%
City Cans Allocation	20,928	-	0.0%	21,008	-	0.0%
Public Customers	32,739	14,816	45.3%	32,865	14,873	45.3%
Other City of San Francisco Departments	4,077	1,095	26.9%	4,093	1,099	26.9%
Recology Sunset Bulky Item	4,038	2,723	67.4%	7,140	3,040	42.6%
Recology Golden Gate Bulky Item	-	-	0.0%	-	-	0.0%
Recology Sunset Inerts	9,731	9,703	99.7%	9,768	9,741	99.7%
Recology Golden Gate Inerts	9,990	9,942	99.5%	10,028	9,981	99.5%
Recology Sunset/Recology Golden Gate Tires	19	19	100.0%	19	19	100.0%
Recology Sunset/Window Glass	95	95	100.0%	95	95	100.0%
Recology San Francisco Inerts	3,326	3,326	100.0%	3,339	3,339	100.0%
Construction Material Reuse	5,312	5,111	96.2%	5,332	5,131	96.2%
Adjustments (Inventory, moisture)	(5,080)	-		(5,100)	-	
Total	57,027	34,102	59.8%	57,246	34,233	59.8%

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Rate Application, Schedule E
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	Actual RY 2007			Actual RY 2008			Actual RY 2009		
	Received	Diverted	% Diverted	Received	Diverted	% Diverted	Received	Diverted	% Diverted
Total Other	209,666	94,548	45.1%	205,949	107,401	52.1%	182,051	99,909	54.9%
Total Tunnel & Beatty	751,278	241,691	32.2%	733,613	267,318	36.4%	658,677	251,365	38.2%
Recycle Central Recyclables									
<i>From Recology Sunset</i>									
Fantastic 3	76,250	66,845	87.7%	79,015	68,126	86.2%	77,992	66,728	85.6%
Source Separated	3,301	3,301	100.0%	1,322	1,322	100.0%	1,346	1,346	100.0%
Mixed Commercial	4,292	1,097	25.6%	6,180	1,525	24.7%	3,590	814	22.7%
Mixed Paper	681	488	71.7%	2,204	1,608	73.0%	2,948	2,691	91.3%
Total from Recology Sunset	84,524	71,731	84.9%	88,721	72,581	81.8%	85,876	71,579	83.4%
<i>From Recology Golden Gate</i>									
Fantastic 3	23,978	21,024	87.7%	27,917	24,083	86.3%	33,706	28,845	85.6%
Source Separated	12,850	12,850	100.0%	8,786	8,786	100.0%	3,376	3,376	100.0%
Mixed Commercial	16,360	4,180	25.6%	18,909	4,595	24.3%	16,762	3,413	20.4%
Mixed Paper	8,289	5,634	68.0%	9,548	6,962	72.9%	8,867	8,085	91.2%
Total from Recology Golden Gate	61,477	43,688	71.1%	65,160	44,426	68.2%	62,711	43,719	69.7%
Total from Recology Sunset and Golden Gate	146,001	115,419	79.1%	153,881	117,007	76.0%	148,587	115,298	77.6%
Other Sources - Source Separated	30,887	30,845	99.9%	37,473	37,437	99.9%	29,630	29,630	100.0%
Total Recycle Central Recyclables	176,888	146,264	82.7%	191,354	154,444	80.7%	178,217	144,928	81.3%
Total Tunnel & Beatty and Recycle Central Tons	928,166	387,955	41.8%	924,967	421,762	45.6%	836,894	396,293	47.4%
Sustainable Crushing			0.0%			0.0%			100.0%
Total Tons	928,166	387,955	41.8%	924,967	421,762	45.6%	950,124	509,523	53.6%

Recology San Francisco
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	Actual RY 2010			Actual RY 2011			Actual RY 2012			
	Received	Diverted	Disposal	Received	Diverted	Disposal	Received	Diverted	Disposal	% Diverted
Total Other	140,280	70,055	70,225	141,962	64,703	77,259	137,951	63,740	74,211	46.2%
Total Tunnel & Beatty	594,336	230,778	363,558	597,625	238,716	359,909	602,463	251,287	351,176	41.7%
Recycle Central Recyclables										
From Recology Sunset										
Fantastic 3	73,280	62,597	10,683	71,591	63,326	8,265	68,845	58,850	9,995	85.5%
Source Separated	1,245	1,245	-	920	920	-	527	527	-	100.0%
Mixed Commercial	606	61	545	1,173	469	704	1,070	428	642	40.0%
Mixed Paper	4,781	4,503	278	5,932	5,621	311	5,789	5,272	517	91.1%
Total from Recology Sunset	79,912	68,406	11,506	79,616	70,336	9,280	76,231	65,077	11,154	85.4%
From Recology Golden Gate										
Fantastic 3	39,952	34,121	5,831	42,591	37,680	4,911	44,493	38,033	6,460	85.5%
Source Separated	659	659	-	635	635	-	1,085	1,085	-	100.0%
Mixed Commercial	8,304	536	7,768	2,255	902	1,353	2,216	886	1,330	40.0%
Mixed Paper	7,849	7,376	473	8,362	7,915	447	7,880	7,177	703	94.7%
Total from Recology Golden Gate	56,764	42,692	14,072	53,843	47,132	6,711	55,674	47,181	8,493	84.7%
Total from Recology Sunset and Golden Gate	136,676	111,098	25,578	133,459	117,468	15,991	131,905	112,258	19,647	85.1%
Other Sources - Source Separated	31,823	31,803	20	32,116	32,100	16	28,456	28,444	12	100.0%
Total Recycle Central Recyclables	168,499	142,901	25,598	165,575	149,568	16,007	160,361	140,702	19,659	87.7%
Total Tunnel & Beatty and Recycle Central Tons	762,835	373,679	389,156	763,200	388,284	374,916	762,823	391,989	370,835	51.4%
Sustainable Crushing	139,845	139,845	-	176,243	176,243	-	172,874	172,874	-	100.0%
Total Tons	902,680	513,524	389,156	939,443	564,527	374,916	935,698	564,863	370,835	60.4%

Recology San Francisco
Rate Application, Schedule E
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	Projected RY 2013			Projected RY 2014		
	Received	Diverted	% Diverted	Received	Diverted	% Diverted
Total Other	120,628	53,106	44.0%	121,092	53,224	44.0%
Total Tunnel & Beatty	594,192	246,379	41.5%	595,433	261,976	44.0%
Recycle Central Recyclables						
From Recology Sunset						
Fantastic 3	67,854	58,003	85.5%	68,115	58,226	85.5%
Source Separated	265	265	100.0%	266	266	100.0%
Mixed Commercial	1,086	434	40.0%	1,090	436	40.0%
Mixed Paper	6,122	5,575	91.1%	6,146	5,596	91.1%
Total from Recology Sunset	75,327	64,278	85.3%	75,617	64,525	85.3%
From Recology Golden Gate						
Fantastic 3	45,076	38,531	85.5%	46,293	39,572	85.5%
Source Separated	1,018	1,018	100.0%	1,022	1,022	100.0%
Mixed Commercial	2,096	838	40.0%	2,104	842	40.0%
Mixed Paper	8,070	7,350	91.1%	8,101	7,378	91.1%
Total from Recology Golden Gate	56,260	47,738	84.9%	57,520	48,814	84.9%
Total from Recology Sunset and Golden Gate	131,587	112,015	85.1%	133,137	113,339	85.1%
Other Sources - Source Separated	26,240	26,229	100.0%	26,341	26,330	100.0%
Total Recycle Central Recyclables	157,827	138,244	87.6%	159,478	139,668	87.6%
Total Tunnel & Beatty and Recycle Central Tons	752,019	384,623	51.1%	754,911	401,644	53.2%
Sustainable Crushing	173,375	173,375	100.0%	174,042	174,042	100.0%
Total Tons	925,394	557,998	60.3%	928,953	575,686	62.0%

Recology San Francisco
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	Actual				Projection				Rate Application	
	RY 2010		RY 2011		RY 2012		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Total Payroll										
Exempt Non-Union	27.8	2,524,096	30.1	2,616,255	31.1	2,751,654	32.0	2,909,779		
Non-Exempt Non-Union	14.2	810,281	13.0	789,567	13.0	805,485	14.0	885,581		
Union - Clerical	3.0	262,949	3.0	245,915	3.0	248,423	3.0	260,424		
Union - Driver/Helper	74.4	7,749,787	72.4	7,941,932	72.2	8,060,845	74.0	8,444,688		
Union - Equipment Operator	42.3	4,195,298	43.9	4,426,320	45.5	4,510,138	48.0	4,777,951		
Union - Shop/Facility	35.3	3,293,471	36.0	3,285,111	36.7	3,382,730	38.0	3,439,189		
Union - Sorter/Material Handler	160.0	8,720,285	161.2	8,634,506	161.3	8,919,119	166.0	9,556,084		
Union - Technician	15.5	1,210,046	16.0	1,227,556	16.0	1,251,237	17.0	1,372,166		
Union - Utility Person	30.6	1,299,506	19.8	1,255,456	19.0	1,239,975	19.0	1,300,292		
Union - Weighmaster/Dispatcher	16.0	2,212,031	17.0	2,249,966	17.0	2,266,241	17.0	2,364,944		
Total	419.2	32,277,749	412.3	32,672,583	414.7	33,435,847	428.0	35,311,098		

	Actual				Projection				Rate Application	
	RY 2010		RY 2011		RY 2012		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE										
Exempt Non-Union	27.8	2,235,323	30.1	2,342,263	31.1	2,436,988	32.0	2,584,742		
Non-Exempt Non-Union	14.2	663,215	13.0	644,603	13.0	666,555	14.0	742,252		
Union - Clerical	2.7	176,530	2.6	187,344	2.8	194,340	2.8	203,155		
Union - Driver/Helper	63.9	5,071,420	59.3	4,730,056	62.0	4,942,300	62.210	5,214,144		
Union - Equipment Operator	38.8	2,577,852	38.2	2,695,347	39.7	2,726,639	42.2	2,965,270		
Union - Shop/Facility	32.1	2,359,841	31.2	2,318,559	32.3	2,407,998	33.3	2,537,132		
Union - Sorter/Material Handler	123.9	6,006,605	117.6	5,756,496	121.0	5,947,506	124.0	6,369,350		
Union - Technician	15.5	924,899	16.0	934,195	16.0	952,668	17.0	1,047,746		
Union - Utility Person	24.1	908,044	17.2	894,497	17.2	890,356	17.2	933,736		
Union - Weighmaster/Dispatcher	14.9	1,198,712	15.3	1,209,051	15.5	1,234,317	15.5	1,286,573		
Total	357.7	22,122,439	340.6	21,712,410	350.5	22,399,667	360.18	23,884,099		

Recology San Francisco
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Payroll Headcount and Expenses

	RY 2010		Actual				Projection		Rate Application	
	HC	Dollars	RY 2011		RY 2012		RY 2013		RY 2014	
			HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars

Sick, Vacation & Holiday Off

Exempt Non-Union	-	288,773	-	273,993	-	314,666	-	325,037	-	325,037
Non-Exempt Non-Union	-	116,934	-	109,861	-	106,252	-	109,934	-	109,934
Union - Clerical	-	44,399	-	42,518	-	43,294	-	45,989	-	45,989
Union - Driver/Helper	-	968,660	-	1,043,583	-	940,328	-	1,025,791	-	1,025,791
Union - Equipment Operator	-	441,451	-	457,693	-	477,833	-	479,105	-	479,105
Union - Shop/Facility	-	339,498	-	362,619	-	355,907	-	267,678	-	267,678
Union - Sorter/Material Handler	-	872,814	-	896,853	-	984,423	-	1,112,433	-	1,112,433
Union - Technician	-	185,064	-	178,102	-	179,039	-	198,797	-	198,797
Union - Utility Person	-	158,338	-	138,934	-	137,937	-	145,261	-	145,261
Union - Weighmaster/Dispatcher	-	253,786	-	253,185	-	254,268	-	270,009	-	270,009
Total	-	3,669,717	-	3,757,341	-	3,793,949	-	3,980,034	-	3,980,034

Overtime

Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	30,131	-	35,103	-	32,679	-	33,395	-	33,395
Union - Clerical	-	42,020	-	15,218	-	8,299	-	8,677	-	8,677
Union - Driver/Helper	-	266,152	-	713,282	-	594,089	-	531,879	-	531,879
Union - Equipment Operator	-	292,077	-	303,219	-	287,307	-	291,442	-	291,442
Union - Shop/Facility	-	81,118	-	71,143	-	66,239	-	67,755	-	67,755
Union - Sorter/Material Handler	-	45,402	-	31,035	-	32,811	-	34,359	-	34,359
Union - Technician	-	42,207	-	43,499	-	37,700	-	39,417	-	39,417
Union - Utility Person	-	2,459	-	833	-	798	-	834	-	834
Union - Weighmaster/Dispatcher	-	110,554	-	122,997	-	120,510	-	125,994	-	125,994
Total	-	912,122	-	1,336,329	-	1,180,431	-	1,133,751	-	1,133,751

Recology San Francisco
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	Actual						Projection		Rate Application		
	RY 2010		RY 2011		RY 2012		RY 2013		RY 2014		
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	
Holiday & Weekend Payroll											
Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	834	-	-	-	-	-	-	2,603
Union - Driver/Helper	-	1,443,555	-	1,455,010	-	2,490	-	1,584,128	-	-	1,672,874
Union - Equipment Operator	-	883,919	-	970,062	-	1,018,359	-	1,042,134	-	-	566,623
Union - Shop/Facility	-	513,015	-	532,791	-	552,585	-	1,954,378	-	-	86,207
Union - Sorter/Material Handler	-	1,795,464	-	1,950,122	-	81,831	-	210,884	-	-	682,368
Union - Technician	-	57,876	-	71,761	-	210,884	-	657,147	-	-	6,313,214
Union - Utility Person	-	230,664	-	221,191	-	664,733	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	648,979	-	648,979	-	-	-	-	-	-	-
Total	-	5,573,472	-	5,866,504	-	6,061,801	-	6,313,214	-	-	6,313,214

Hauling										
Total Payroll										
	HC	Dollars								
Exempt Non-Union	1.0	-	1.0	125,524	1.0	131,390	1.0	135,817	1.0	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	59.4	5,960,013	58.4	6,184,693	58.2	6,233,780	60.0	6,452,604	60.0	6,452,604
Union - Equipment Operator	-	-	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	4.0	455,960	4.0	482,667	4.0	480,309	4.0	496,210	4.0	496,210
Total	64.4	6,537,528	63.4	6,792,885	63.2	6,845,480	65.0	7,084,631	65.0	7,084,631

Recology San Francisco
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	Actual						Projection		Rate Application	
	RY 2010		RY 2011		RY 2012		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE										
Exempt Non-Union	1.0	108,780	1.0	110,730	1.0	112,957	1.0	116,832	1.0	116,832
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	49.3	4,035,998	45.8	3,720,994	47.8	3,873,068	47.8	4,038,734	47.8	4,038,734
Union - Equipment Operator	-	-	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	3.5	253,142	3.1	248,780	3.1	256,907	3.1	261,193	3.1	261,193
Total	53.8	4,397,920	49.9	4,080,504	51.9	4,242,932	51.9	4,416,759	51.9	4,416,759

	Actual		Projection		Rate Application	
	HC	Dollars	HC	Dollars	HC	Dollars
	Sick, Vacation & Holiday Off					
Exempt Non-Union		12,776		14,794		18,432
Non-Exempt Non-Union		-		-		-
Union - Clerical		-		-		-
Union - Driver/Helper		747,867		832,078		739,024
Union - Equipment Operator		-		-		-
Union - Shop/Facility		-		-		-
Union - Sorter/Material Handler		-		-		-
Union - Technician		-		-		-
Union - Utility Person		67,039		56,452		62,294
Union - Weighmaster/Dispatcher		-		-		-
Total		827,681		903,324		819,750
						891,398

Recology San Francisco
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Payroll Headcount and Expenses

	RY 2010		Actual		RY 2012		Projection		Rate Application	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Overtime										
Exempt Non-Union		-		-		-		-		-
Non-Exempt Non-Union		-		-		-		-		-
Union - Clerical		-		-		-		-		-
Union - Driver/Helper		218,877		672,677		553,066		487,362		
Union - Equipment Operator		-		-		-		-		-
Union - Shop/Facility		-		-		-		-		-
Union - Sorter/Material Handler		-		-		-		-		-
Union - Technician		-		-		-		-		-
Union - Utility Person		-		-		-		-		-
Union - Weighmaster/Dispatcher		30,939		70,453		62,294		65,129		
Total		249,815		743,130		615,360		552,492		

	RY 2010		Actual		RY 2012		Projection		Rate Application	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Holiday & Weekend Payroll										
Exempt Non-Union		-		-		-		-		-
Non-Exempt Non-Union		-		-		-		-		-
Union - Clerical		-		-		-		-		-
Union - Driver/Helper		957,272		958,943		1,068,623		1,120,947		
Union - Equipment Operator		-		-		-		-		-
Union - Shop/Facility		-		-		-		-		-
Union - Sorter/Material Handler		-		-		-		-		-
Union - Technician		-		-		-		-		-
Union - Utility Person		-		-		-		-		-
Union - Weighmaster/Dispatcher		104,840		106,983		98,814		103,035		
Total		1,062,112		1,065,927		1,167,437		1,223,982		

Recology San Francisco
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		Actual		RY 2012		Projection		Rate Application	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
IMRF										
Total Payroll	1.0	55,859	1.0	59,581	1.0	60,553	1.0	62,611	1.0	62,611
Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	6.0	843,722	6.0	806,098	6.0	827,122	6.0	887,145	6.0	887,145
Union - Driver/Helper	7.0	706,928	7.0	757,007	7.0	765,922	7.0	770,696	7.0	770,696
Union - Equipment Operator	-	-	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	61.8	3,682,888	67.1	3,997,098	65.5	4,135,301	67.0	4,261,580	67.0	4,261,580
Union - Technician	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	28,698	-	29,340	-	-	-	-	-	-
Total	75.8	5,318,095	81.1	5,649,125	79.5	5,788,898	81.0	5,982,032	81.0	5,982,032

	RY 2010		Actual		RY 2012		Projection		Rate Application	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE										
Total Payroll	1.0	40,852	1.0	48,911	1.0	50,772	1.0	52,535	1.0	52,535
Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	6.9	479,186	6.5	472,015	6.5	483,276	6.5	519,229	6.5	519,229
Union - Driver/Helper	6.3	415,171	6.1	435,437	6.0	422,010	6.0	429,183	6.0	429,183
Union - Equipment Operator	-	-	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	46.8	2,466,358	49.1	2,548,339	49.4	2,612,894	48.5	2,646,418	48.5	2,646,418
Union - Technician	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	0.1	23,439	0.2	20,274	-	-	0.1	-	-	-
Total	61.1	3,425,006	63.0	3,524,974	62.9	3,568,952	62.1	3,647,365	62.1	3,647,365

Recology San Francisco
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		Actual				Projection		Rate Application		
	HC	HC	RY 2011	RY 2012	RY 2013	RY 2014	HC	HC	Dollars	Dollars	
			Dollars	Dollars	Dollars	Dollars					
Sick, Vacation & Holiday Off											
Exempt Non-Union	-	-	15,006	10,671	9,782	10,075					
Non-Exempt Non-Union	-	-	-	-	-	-					
Union - Clerical	-	-	-	-	-	-					
Union - Driver/Helper	-	-	97,714	82,082	82,003	89,721					
Union - Equipment Operator	-	-	64,503	60,079	60,581	55,173					
Union - Shop/Facility	-	-	-	-	-	-					
Union - Sorter/Material Handler	-	-	360,945	377,722	417,800	472,024					
Union - Technician	-	-	-	-	-	-					
Union - Utility Person	-	-	-	-	-	-					
Union - Weighmaster/Dispatcher	-	-	-	-	-	-					
Total	-	-	538,169	530,554	570,165	626,993					

	RY 2010		Actual				Projection		Rate Application		
	HC	HC	RY 2011	RY 2012	RY 2013	RY 2014	HC	HC	Dollars	Dollars	
			Dollars	Dollars	Dollars	Dollars					
Overtime											
Exempt Non-Union	-	-	-	-	-	-					
Non-Exempt Non-Union	-	-	-	-	-	-					
Union - Clerical	-	-	-	-	-	-					
Union - Driver/Helper	-	-	25,092	14,764	16,490	17,800					
Union - Equipment Operator	-	-	82,267	98,927	92,678	94,070					
Union - Shop/Facility	-	-	-	-	-	-					
Union - Sorter/Material Handler	-	-	10,808	9,255	8,601	8,986					
Union - Technician	-	-	-	-	-	-					
Union - Utility Person	-	-	1,613	1,105	-	-					
Union - Weighmaster/Dispatcher	-	-	-	-	-	-					
Total	-	-	119,781	124,051	117,770	120,856					

Recology San Francisco
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	Actual						Projection		Rate Application	
	RY 2010		RY 2011		RY 2012		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Holiday & Weekend Payroll										
Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	241,729	-	237,238	-	245,352	-	260,395	-	192,270
Union - Driver/Helper	-	144,987	-	162,564	-	190,654	-	192,270	-	-
Union - Equipment Operator	-	-	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	844,776	-	1,061,782	-	1,096,006	-	1,134,152	-	-
Union - Technician	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	3,646	-	7,962	-	-	-	-	-	-
Total	-	1,235,139	-	1,469,546	-	1,532,012	-	1,586,818	-	1,586,818

	Actual						Projection		Rate Application	
	RY 2010		RY 2011		RY 2012		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Recycle Central										
Total Payroll	11.0	924,582	11.2	999,341	11.6	1,009,615	12.0	1,074,408	-	-
Exempt Non-Union	1.0	39,664	0.8	-	-	-	-	-	-	-
Non-Exempt Non-Union	3.0	262,949	3.0	245,915	3.0	248,423	3.0	260,424	-	-
Union - Clerical	3.0	333,111	2.5	280,043	2.0	284,407	2.0	313,241	-	-
Union - Driver/Helper	26.8	2,474,134	27.9	2,556,058	27.5	2,483,614	28.0	2,604,396	-	-
Union - Equipment Operator	13.6	1,253,923	14.2	1,282,136	15.0	1,356,544	17.0	1,499,547	-	-
Union - Shop/Facility	88.2	4,554,665	89.9	4,209,497	86.3	4,276,868	88.0	4,665,680	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-	-	-
Union - Technician	30.6	1,299,506	23.6	1,255,456	19.8	1,239,975	19.0	1,300,292	-	-
Union - Utility Person	3.0	329,408	2.7	321,985	3.0	325,278	3.0	342,491	-	-
Union - Weighmaster/Dispatcher	180.1	11,471,940	174.6	11,150,431	168.4	11,224,722	172.0	12,060,479	-	-
Total										

Recology San Francisco
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	Actual						Projection		Rate Application	
	RY 2010		RY 2011		RY 2012		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE										
Exempt Non-Union	11.0	833,407	11.8	894,267	11.6	892,344	12.0	953,958		
Non-Exempt Non-Union	1.0	33,541	-	-	-	-	-	-		
Union - Clerical	2.7	176,530	2.6	187,344	2.8	194,340	2.8	203,155		
Union - Driver/Helper	3.4	235,930	2.4	193,189	2.5	196,830	2.5	217,010		
Union - Equipment Operator	24.6	1,586,506	23.9	1,645,667	23.9	1,597,259	23.9	1,671,444		
Union - Shop/Facility	11.9	821,762	12.3	825,745	13.3	925,844	14.3	1,035,739		
Union - Sorter/Material Handler	69.1	3,230,914	63.5	2,942,589	65.5	3,010,179	67.5	3,290,650		
Union - Technician	-	-	-	-	-	-	-	-		
Union - Utility Person	24.1	908,044	17.2	894,497	17.2	890,356	17.2	933,736		
Union - Weighmaster/Dispatcher	2.5	197,149	2.7	216,287	2.7	212,934	2.7	223,404		
Total	150.3	8,023,783	136.5	7,799,586	139.5	7,920,086	142.9	8,529,095		

	Actual						Projection		Rate Application	
	RY 2010		RY 2011		RY 2012		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Sick, Vacation & Holiday Off										
Exempt Non-Union	-	91,175	-	105,075	-	117,270	-	120,450		
Non-Exempt Non-Union	-	4,774	-	-	-	-	-	-		
Union - Clerical	-	44,399	-	42,518	-	43,294	-	45,989		
Union - Driver/Helper	-	51,511	-	32,811	-	31,364	-	34,463		
Union - Equipment Operator	-	299,856	-	309,322	-	318,777	-	340,840		
Union - Shop/Facility	-	132,559	-	155,381	-	157,358	-	179,374		
Union - Sorter/Material Handler	-	450,035	-	461,934	-	495,718	-	558,803		
Union - Technician	-	-	-	-	-	-	-	-		
Union - Utility Person	-	158,338	-	138,934	-	137,937	-	145,261		
Union - Weighmaster/Dispatcher	-	47,083	-	32,427	-	39,478	-	42,906		
Total	-	1,279,730	-	1,278,401	-	1,341,197	-	1,468,086		

Recology San Francisco
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		Actual				Projection		Rate Application		
	HC	Dollars	HC	RY 2011		RY 2012		RY 2013		RY 2014	
				HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Overtime											
Exempt Non-Union	-	-	-	1,349	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	42,020	-	42,020	-	15,218	-	-	-	8,299	8,677
Union - Clerical	-	963	-	963	-	1,239	-	-	-	1,068	1,173
Union - Driver/Helper	-	-	-	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	-	-	91,586	-	53,036	-	-	-	57,338	59,852
Union - Shop/Facility	-	-	-	26,582	-	21,874	-	-	-	19,046	19,853
Union - Sorter/Material Handler	-	31,999	-	31,999	-	19,102	-	-	-	21,526	22,571
Union - Technician	-	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	2,459	-	2,459	-	833	-	-	-	798	834
Union - Weighmaster/Dispatcher	-	34,999	-	34,999	-	20,823	-	-	-	24,649	25,771
Total	-	231,958	-	231,958	-	132,125	-	-	-	132,724	138,731

	RY 2010		Actual				Projection		Rate Application		
	HC	Dollars	HC	RY 2011		RY 2012		RY 2013		RY 2014	
				HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Holiday & Weekend Payroll											
Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	44,707	-	834	-	-	-	2,490	2,603
Union - Driver/Helper	-	-	-	496,185	-	52,803	-	-	-	55,145	60,594
Union - Equipment Operator	-	-	-	273,019	-	548,032	-	-	-	510,239	532,260
Union - Shop/Facility	-	-	-	841,717	-	279,136	-	-	-	254,296	264,581
Union - Sorter/Material Handler	-	-	-	-	-	785,873	-	-	-	749,446	793,657
Union - Technician	-	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	230,664	-	230,664	-	221,191	-	-	-	210,884	220,462
Union - Weighmaster/Dispatcher	-	50,176	-	50,176	-	52,448	-	-	-	48,216	50,410
Total	-	1,936,469	-	1,936,469	-	1,940,318	-	-	-	1,830,715	1,924,566

Recology San Francisco
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Payroll Headcount and Expenses

	RY 2010		Actual		Projection		Rate Application	
	HC	Dollars	RY 2011	RY 2012	RY 2013	RY 2014	HC	Dollars
			HC	Dollars	HC	Dollars	HC	Dollars
Special Waste								
Total Payroll								
Exempt Non-Union	2.0		2.0	162,934	2.0	168,559	2.0	174,121
Non-Exempt Non-Union	-		-	-	-	-	-	-
Union - Clerical	-		-	-	-	-	-	-
Union - Driver/Helper	-		-	-	-	-	-	-
Union - Equipment Operator	-		-	-	-	-	-	-
Union - Shop/Facility	-		-	-	-	-	-	-
Union - Sorter/Material Handler	-		-	-	-	-	-	-
Union - Technician	15.5		16.2	1,227,556	16.0	1,251,237	17.0	1,372,166
Union - Utility Person	-		-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-		-	-	-	-	-	-
Total	17.5		18.2	1,390,490	18.0	1,419,797	19.0	1,546,288

	RY 2010		Actual		Projection		Rate Application	
	HC	Dollars	RY 2011	RY 2012	RY 2013	RY 2014	HC	Dollars
			HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE								
Exempt Non-Union	2.0		2.0	140,030	2.0	142,221	2.0	147,154
Non-Exempt Non-Union	-		-	-	-	-	-	-
Union - Clerical	-		-	-	-	-	-	-
Union - Driver/Helper	-		-	-	-	-	-	-
Union - Equipment Operator	-		-	-	-	-	-	-
Union - Shop/Facility	-		-	-	-	-	-	-
Union - Sorter/Material Handler	-		-	-	-	-	-	-
Union - Technician	15.5		16.2	934,195	16.0	952,668	17.0	1,047,746
Union - Utility Person	-		-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-		-	-	-	-	-	-
Total	17.5		18.2	1,074,225	18.0	1,094,889	19.0	1,194,900

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	RY 2010		Actual		Projection		Rate Application	
	HC		Dollars		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Sick, Vacation & Holiday Off								
Exempt Non-Union	-	28,040	-	22,904	-	26,339	-	26,967
Non-Exempt Non-Union	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	185,064	-	178,102	-	179,039	-	198,797
Union - Technician	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	-	-	-	-	-	-	-
Total	-	213,104	-	201,006	-	205,377	-	225,764

	RY 2010		Actual		Projection		Rate Application	
	HC		Dollars		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Overtime								
Exempt Non-Union	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	42,207	-	43,499	-	37,700	-	39,417
Union - Technician	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	-	-	-	-	-	-	-
Total	-	42,207	-	43,499	-	37,700	-	39,417

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	RY 2010		Actual		Projection		Rate Application	
	HC	Dollars	RY 2011	RY 2012	RY 2013	RY 2014	HC	Dollars
			HC	Dollars	HC	Dollars	HC	Dollars
Holiday & Weekend Payroll								
Exempt Non-Union	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	57,876	71,761	-	81,831	-	86,207
Union - Weighmaster/Dispatcher	-	-	-	-	-	-	-	-
Total	-	-	57,876	71,761	-	81,831	-	86,207

Sustainable Crushing								
Total Payroll								
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Exempt Non-Union	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-
Union - Equipment Operator	0.6	124,819	1.0	148,509	1.5	180,798	2.0	219,791
Union - Shop/Facility	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	-	83,759	83,508	1.0	98,548	1.0	104,265
Total	0.6	276,662	3.0	313,001	3.5	360,032	4.0	407,482

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	Actual						Projection		Rate Application	
	RY 2010		RY 2011		RY 2012		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE										
Exempt Non-Union	-	65,059	1.0	77,894	1.0	76,652	1.0	79,271		
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-	-	-
Union - Equipment Operator	0.5	68,829	1.0	77,789	1.4	99,272	2.0	137,340		
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	63,432	0.8	68,976	0.9	77,911	1.0	81,874		
Total	0.5	197,321	2.8	224,659	3.3	253,835	4.0	298,485		

Sick, Vacation & Holiday Off										
Exempt Non-Union	-	3,024	-	3,091	-	4,034	-	4,155		
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	8,171	-	8,170	-	13,334	-	12,532		
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	8,562	-	8,518	-	9,050	-	10,278		
Union - Weighmaster/Dispatcher	-	19,756	-	19,779	-	26,419	-	26,966		
Total	-	31,313	-	31,378	-	46,837	-	47,029		

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	RY 2010		Actual				Projection		Rate Application		
	HC	Dollars	RY 2011	HC	Dollars	RY 2012	HC	Dollars	RY 2013	HC	Dollars
Overtime											
Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	24,566	-	-	27,828	-	-	27,627	-	-	28,051
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	5,446	-	-	836	-	-	819	-	-	856
Total	-	30,013	-	-	28,664	-	-	28,446	-	-	28,907

	RY 2010		Actual				Projection		Rate Application		
	HC	Dollars	RY 2011	HC	Dollars	RY 2012	HC	Dollars	RY 2013	HC	Dollars
Holiday & Weekend Payroll											
Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	23,253	-	-	34,723	-	-	40,566	-	-	41,868
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	6,319	-	-	5,177	-	-	10,767	-	-	11,257
Total	-	29,571	-	-	39,900	-	-	51,332	-	-	53,125

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RY 2010 HC	Actual		Projection		Rate Application		
	RY 2011 HC	Dollars	RY 2012 HC	Dollars	RY 2013 HC	Dollars	RY 2014 HC

Transfer Station		RY 2010 HC	RY 2011 HC	Dollars	RY 2012 HC	Dollars	RY 2013 HC	Dollars	RY 2014 HC	Dollars
Total Payroll		38.2	37.2	3,644,535	36.2	3,723,830	39.5	4,034,502	43.0	4,442,521
Exempt Non-Union		4.2	5.0	323,289	5.0	327,610	5.5	370,106	6.0	416,955
Non-Exempt Non-Union		1.0	0.5	23,958	-	-	-	-	-	-
Union - Clerical		-	-	-	-	-	-	-	-	-
Union - Driver/Helper		6.0	5.9	612,942	6.0	671,097	6.0	715,536	6.0	791,698
Union - Equipment Operator		8.0	7.7	887,408	8.0	964,747	9.5	1,079,804	11.0	1,183,067
Union - Shop/Facility		-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler		10.0	9.1	482,732	8.2	427,910	9.5	506,950	11.0	628,824
Union - Technician		-	-	-	-	-	-	-	-	-
Union - Utility Person		-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher		9.0	9.0	1,314,205	9.0	1,332,466	9.0	1,362,106	9.0	1,421,979
Total		38.2	37.2	3,644,535	36.2	3,723,830	39.5	4,034,502	43.0	4,442,521

Regular Payroll - FTE		RY 2010 HC	RY 2011 HC	Dollars	RY 2012 HC	Dollars	RY 2013 HC	Dollars	RY 2014 HC	Dollars
Exempt Non-Union		4.2	5.0	284,260	5.0	305,464	5.5	331,320	6.0	375,695
Non-Exempt Non-Union		1.0	0.5	20,516	-	-	-	-	-	-
Union - Clerical		-	-	-	-	-	-	-	-	-
Union - Driver/Helper		4.3	4.6	320,305	4.6	343,858	5.2	389,125	5.4	439,171
Union - Equipment Operator		7.3	7.0	505,462	7.2	536,454	8.5	608,098	10.3	727,302
Union - Shop/Facility		-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler		8.1	5.7	309,333	5.0	265,569	6.1	324,433	8.0	432,283
Union - Technician		-	-	-	-	-	-	-	-	-
Union - Utility Person		-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher		8.8	8.6	661,549	8.4	654,733	8.7	686,564	8.7	720,103
Total		33.6	31.3	2,101,425	30.2	2,106,078	33.9	2,339,541	38.4	2,694,554

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	RY 2010		Actual				Projection		Rate Application	
	HC		RY 2011		RY 2012		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Sick, Vacation & Holiday Off										
Exempt Non-Union	-	39,030	-	22,146	-	38,786	-	41,259	-	-
Non-Exempt Non-Union	-	2,990	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	71,568	-	96,611	-	87,937	-	96,046	-	-
Union - Equipment Operator	-	68,921	-	80,122	-	85,142	-	70,559	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	61,834	-	57,197	-	70,906	-	81,607	-	-
Union - Technician	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	131,102	-	155,788	-	143,446	-	149,973	-	-
Total	-	375,445	-	411,864	-	426,217	-	439,444	-	-

	RY 2010		Actual				Projection		Rate Application	
	HC		RY 2011		RY 2012		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Overtime										
Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	451	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	21,221	-	24,602	-	23,465	-	25,543	-	-
Union - Equipment Operator	-	93,531	-	123,428	-	109,664	-	109,470	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	2,595	-	2,678	-	2,684	-	2,802	-	-
Union - Technician	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	37,557	-	29,781	-	32,746	-	34,237	-	-
Total	-	155,355	-	180,489	-	168,560	-	172,051	-	-

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	Actual						Projection		Rate Application	
	RY 2010		RY 2011		RY 2012		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Holiday & Weekend Payroll										
Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	199,848	-	206,025	-	215,009	-	230,938	-	230,938
Union - Equipment Operator	-	219,493	-	224,743	-	276,900	-	275,736	-	275,736
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	108,970	-	102,467	-	108,926	-	112,132	-	112,132
Union - Technician	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	483,998	-	492,163	-	499,349	-	517,666	-	517,666
Total	-	1,012,310	-	1,025,398	-	1,100,184	-	1,136,472	-	1,136,472

General & Administrative		7.7		7.5		7.3		8.0		8.0	
		HC	Dollars								
Total Payroll											
Exempt Non-Union	7.7	-	-	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	11.2	-	-	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	-	-	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	-	-	-	-	-	-	-	-	-	-
Total	18.8	19.5	1,468,096	19.3	1,499,299	20.0	1,585,789	21.0	1,692,497	21.0	1,692,497

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	Actual						Projection		Rate Application	
	RY 2010		RY 2011		RY 2012		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE										
Exempt Non-Union	7.7	677,647	7.3	674,034	8.0	742,296	8.0	767,847		
Non-Exempt Non-Union	11.2	565,005	12.0	599,832	12.0	621,238	13.0	695,375		
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	-	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	-	-	-	-	-	-	-	-	-
Total	18.8	1,242,652	19.3	1,273,865	20.0	1,363,535	21.0	1,463,223		

	Actual		Projection		Rate Application	
	RY 2010		RY 2011		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars
Sick, Vacation & Holiday Off						
Exempt Non-Union	-	93,959	-	88,182	-	93,558
Non-Exempt Non-Union	-	103,154	-	102,149	-	102,321
Union - Clerical	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-
Union - Equipment Operator	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	-	-	-	-	-
Total	-	197,113	-	190,331	-	195,879

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	RY 2010		Actual		Projection		Rate Application	
	HC		Dollars		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Overtime								
Exempt Non-Union	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-
Union - Clerical	-	28,331	-	35,103	-	32,679	-	33,395
Union - Driver/Helper	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	-	-	-	-	-	-	-
Total	-	28,331	-	35,103	-	32,679	-	33,395

	RY 2010		Actual		Projection		Rate Application	
	HC		Dollars		RY 2013		RY 2014	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Holiday & Weekend Payroll								
Exempt Non-Union	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	-	-	-	-	-	-	-
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

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	RY 2010		Actual		RY 2012		Projection		Rate Application		
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	
Truck & Garage											
Total Payroll											
Exempt Non-Union	1.0	95,355	1.0	99,066	1.0	97,735	1.0	101,036	1.0	101,036	
Non-Exempt Non-Union	1.0	50,169	1.0	52,483	1.0	52,707	1.0	54,489	1.0	54,489	
Union - Clerical	-	-	-	-	-	-	-	-	-	-	
Union - Driver/Helper	-	-	-	-	-	-	-	-	-	-	
Union - Equipment Operator	-	2,009	-	-	-	-	-	-	-	-	
Union - Shop/Facility	21.8	2,039,549	21.6	2,002,976	21.0	2,026,186	21.0	1,939,642	21.0	1,939,642	
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-	-	-	
Union - Technician	-	-	-	-	-	-	-	-	-	-	
Union - Utility Person	-	-	-	-	-	-	-	-	-	-	
Union - Weighmaster/Dispatcher	-	-	-	-	-	-	-	-	-	-	
Total	23.8	2,187,081	23.6	2,153,525	23.0	2,176,627	23.0	2,095,167	23.0	2,095,167	

	RY 2010		Actual		RY 2012		Projection		Rate Application	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Regular Payroll - FTE										
Exempt Non-Union	1.0	89,591	1.0	90,934	1.0	88,427	1.0	91,449	1.0	91,449
Non-Exempt Non-Union	1.0	44,153	1.0	44,771	1.0	45,316	1.0	46,877	1.0	46,877
Union - Clerical	-	-	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	1,884	-	-	-	-	-	-	-	-
Union - Shop/Facility	20.2	1,538,078	20.0	1,492,814	19.0	1,482,155	19.0	1,501,394	19.0	1,501,394
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	-	-	-	-	-	-	-	-	-
Total	22.2	1,673,706	22.0	1,628,519	21.0	1,615,897	21.0	1,639,719	21.0	1,639,719

Recology San Francisco
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		Actual		Projection		Rate Application	
	HC		Dollars		Dollars		Dollars	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Sick, Vacation & Holiday Off								
Exempt Non-Union	-	5,763	-	7,131	-	9,308	-	9,587
Non-Exempt Non-Union	-	6,016	-	7,712	-	7,391	-	7,612
Union - Clerical	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	206,938	-	207,238	-	198,549	-	88,303
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	-	-	-	-	-	-	-
Total	-	218,717	-	222,082	-	215,248	-	105,503

	RY 2010		Actual		Projection		Rate Application	
	HC		Dollars		Dollars		Dollars	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Overtime								
Exempt Non-Union	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	125	-	-	-	-	-	-
Union - Shop/Facility	-	54,536	-	49,269	-	47,193	-	47,902
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	-	-	-	-	-	-	-
Total	-	54,661	-	49,269	-	47,193	-	47,902

Recology San Francisco
 Rate Application, Schedule G.1
Payroll Headcount and Expenses

	RY 2010		Actual		Projection		Rate Application	
	HC	Dollars	HC	Dollars	HC	Dollars	HC	Dollars
Holiday & Weekend Payroll								
Exempt Non-Union	-	-	-	-	-	-	-	-
Non-Exempt Non-Union	-	-	-	-	-	-	-	-
Union - Clerical	-	-	-	-	-	-	-	-
Union - Driver/Helper	-	-	-	-	-	-	-	-
Union - Equipment Operator	-	-	-	-	-	-	-	-
Union - Shop/Facility	-	239,997	-	253,655	-	298,290	-	302,043
Union - Sorter/Material Handler	-	-	-	-	-	-	-	-
Union - Technician	-	-	-	-	-	-	-	-
Union - Utility Person	-	-	-	-	-	-	-	-
Union - Weighmaster/Dispatcher	-	-	-	-	-	-	-	-
Total	-	239,997	-	253,655	-	298,290	-	302,043

Recology San Francisco
 Rate Application, Schedule G.2
Employee Pension Expenses

	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Local 3 Pension						
\$/Hour	8.59	8.59	9.71	10.35		
No. of Worked Hours	77,755	79,174	85,437	90,763		
Local 3 Pension	667,913	680,107	829,593	939,397		
Recology Contributions	3,896,155	8,197,817	4,742,250	4,278,500		
	4,564,068	8,877,924	5,571,843	5,217,897		

	Oct-Sep	Oct-Sep	Oct-Sep	Oct-Sep	Oct-Sep	Oct-Sep
	2012	2013	2014	2015	2016	2016
Recology Contributions						
Sunset and Golden Gate	19,602,000	12,841,000	12,902,000	12,907,000	12,986,000	12,986,000
Recology San Francisco	6,318,000	4,217,000	4,299,000	4,304,000	4,413,000	4,413,000
Other	12,630,000	7,942,000	7,799,000	7,789,000	7,601,000	7,601,000
Total Recology Contributions	38,550,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Rate Year		RY 2013	RY 2014	RY 2015	RY 2016	RY 2016
Sunset and Golden Gate		14,531,250	12,886,750	12,905,750	12,966,250	12,966,250
Recology San Francisco		4,742,250	4,278,500	4,302,750	4,385,750	4,385,750
Other		9,114,000	7,834,750	7,791,500	7,648,000	7,648,000
Total Recology Contributions		28,387,500	25,000,000	25,000,000	25,000,000	25,000,000

Recology San Francisco
 Rate Application, Schedule G.3
 Health Insurance & Postretirement Expenses

	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Health Insurance						
Monthly Rate	1,388	1,505	1,639	1,741		
No. of Months/Year	12	12	12	12		
Annual Rate	16,655	18,059	19,665	20,888		
No. of Enrollment	412	402	415	428		
Health Insurance	6,856,186	7,259,869	8,155,862	8,940,081		
Reinsurance Fees						
Annual Rate	-	-	-	110		
No. of Enrollment (Dependent & Employee)	-	-	-	1,230		
Self Insured Prescription				135,300		
Annual Rate	-	-	-	110		
No. of Enrollment (Dependent & Employee)	-	-	-	301		
Fully Insured Prescription with Health Net				33,110		
Reinsurance Fees	-	-	-	168,410		
Postretirement Medical						
Recology Postretirement (Rule of 84)	1,617,134	381,097	-	-		
RSP (See below)	1,356,604	1,505,811	1,896,441	2,214,494		
Postretirement Medical	2,973,738	1,886,909	1,896,441	2,214,494		
Health Insurance & Postretirement	9,829,924	9,146,778	10,052,304	11,322,985		
Local 350 Union Retirement Security Plan (RSP)						
Regular RSP						
Increase Effective Month			Jul-12	Jul-13		
Increase %				11.00%		
Regular Monthly Rate			442	491		
Supplemental RSP						
Increase Effective Month			Oct-12	Jul-13		
Increase %			10.0%	10.0%		
Supplemental Monthly Rate			44	49		
Rate Year						
Total Monthly Rate	355	399	475	540		
No. of Months/Year	12	12	12	12		
Annual Rate	4,263	4,783	5,701	6,475		
Actual Union Headcount	335	327	333	342		
Postretirement	1,426,757	1,565,785	1,896,441	2,214,494		
Phase in adjustment	(70,153)	(59,974)				
Total RSP	1,356,604	1,505,811	1,896,441	2,214,494		

Recology San Francisco
 Rate Application, Schedule G.4

Workers Compensation Expenses

	Actual		Projection	Rate Application
	RY 2011	RY 2012		
Payroll	32,277,749	32,672,583	33,435,847	35,311,098
% of Payroll	9.6%	8.2%	7.2%	7.3%
Workers Compensation	3,096,141	2,668,814	2,420,526	2,594,068

Recology San Francisco
Rate Application, Schedule H.1
Depreciation and Lease Expenses

Lease Expenses Description	Actual							Projected RY 2013	Rate Application RY 2014
	RY 2007	RY 2008	RY 2009	RY 2010	RY 2011	RY 2012	RY 2013		
Additions									
Existing Leases in 2006 Rate	\$ 8,724,956	\$ 8,614,889	\$ 8,234,896	\$ 8,189,691	\$ 7,800,033	\$ 7,586,342	\$ 5,254,424	\$ 1,605,813	
New Leases after 2006 Rate	216,851	950,235	2,148,910	2,752,184	3,153,069	3,247,814	3,339,155	3,033,682	
Leases started in RY 2013							580,155	1,160,311	
Salvage Value	(177,000)	(172,250)	(83,500)	(368,606)	(143,000)	(96,935)	(152,500)	(152,500)	
Total Existing Leases	8,764,807	9,392,874	10,300,306	10,573,269	10,810,102	10,737,221	9,021,235	5,647,306	
Total Lease Expenses	\$ 8,764,807	\$ 9,392,874	\$ 10,300,306	\$ 10,573,269	\$ 10,810,102	\$ 10,737,221	\$ 9,021,235	\$ 5,895,450	

Depreciation Description	Actual							Projected RY 2013	Rate Application RY 2014
	RY 2007	RY 2008	RY 2009	RY 2010	RY 2011	RY 2012	RY 2013		
Additions									
Existing Depreciation in 2006 Rate	\$ 834,073	\$ 693,239	\$ 658,893	\$ 612,683	\$ 595,077	\$ 524,413	\$ 495,373	\$ 430,091	
New Depreciation after 2006 Rate	117,356	345,317	439,500	541,784	614,513	657,288	660,678	660,678	
New Depreciation for RY2013							32,243	64,486	
Total Existing Depreciation	951,429	1,038,556	1,098,393	1,154,467	1,209,590	1,181,701	1,188,294	1,155,255	
Total Depreciation	\$ 951,429	\$ 1,038,556	\$ 1,098,393	\$ 1,154,467	\$ 1,209,590	\$ 1,181,701	\$ 1,188,294	\$ 1,165,533	

Recology San Francisco
 Rate Application, Schedule H.2
 Detailed Capital Items and Lease Expenses
 (000s omitted)

	RY 2013		RY 2014		Projected Lease Expense	
	Quantity	Price	Quantity	Price	Term	RY 2013
		Costs		Costs	RY 2014	RY 2014
Operating Equipment						
Mechanics Truck	1	\$ 63	1	\$ 173	L7	\$ 5
Pick-Up 3500Hd Dual Wheels 11' Utility Body	2	26			L7	5
Pick-Up 12 GMC Sierra	1	67			L7	4
Transfer Trailer 38' End Dump	3	163			L7	5
Transfer Truck Tractor	2	340			L7	40
Transfer Truck w/ Wet Kit	1	98			L7	28
Transfer Trailer - Live Floor	1	224			L7	8
CAT Loader - 980G	1	257			L7	18
CAT Loader - 938H	1	9			L7	21
CAT Loader - 938K	4	34			L7	3
CAT Dozer D8T					L7	3
Debris Boxes - 50 Yards					L7	6
Forklifts 6,000 lbs.					L7	3
Automate ph neutralization for Compostables Annex run-off					L7	1
Belt & frame - in-lead conveyor to Baler 01064					L7	16
Belt & frame - in-lead conveyor to Baler 01428					L7	7
Belt & frame - in-lead conveyor to Mixed Paper line					L7	18
Belt, steel track and headshaft sprockets on in-lead conveyor to D line					L7	5
Belt, steel track, headshaft sprockets and gear shift on D line conveyor					L7	3
Motorized pallet truck					L7	0
iMRF shaker screen					L7	18
iMRF out throws takeaway belts					L7	21
Metal band saw for shop					L7	1
Optical Sorting Equipment					L7	227
Pier 96 Bailer Upgrade					L7	31
Pneumatic Paint can openers					L7	2
Recertifying & refurbish/upgrade existing Pneumatic Tire Mobile Crane					L7	2
Small sweeper (Tenant S30)					L7	6
Steam cleaner					L7	1
Trash Processing - bio separator					L7	31
Trash Processing - Screen and size reducer					L7	59
Wood Grinder					L7	38
Total Operating Equipment	16	\$7,162	12	\$ 3,064		\$ 580
Existing Leases						
Buildings & Improvements						\$ 982
Computer Equipment						37
Containers						21
Leasehold Improvements						617
Machinery & Equipment						1,602
Trucks & Auto						1,380
Total Existing Leases						\$ 4,639
Salvage Value for Replacement Vehicles						\$ (153)
Total Company						\$ 5,895

Lease Schedule	
7 Yr.	
Monthly	1.35%
Annual	16.20%
Mid-Year Convention	50%
	50%

Recology San Francisco
 Rate Application, Schedule H.3
Depreciation Expenses

Description	Mid-Year Convention				Life (Years)	50%	
	Costs		Depreciation				
	RY 2013	RY 2014	RY 2013	RY 2014			
Roof Replacements	\$ -	\$ 185,000	\$ -	\$ 10,278	9		
Art Studio Roof Replacement	35,482		1,183	2,365	15		
Landscaping Site Improvement - Pier 94	100,000		8,333	16,667	6		
LED Lighting	242,000		15,125	30,250	8		
Pier 96 3000 Amp Breaker	40,137		1,338	2,676	15		
Solar Power System	51,079		3,192	6,385	8		
Storm H2O Pumps Pier 96	49,144		3,072	6,143	8		
Total Additions	\$ 517,842	\$ 185,000	\$ 32,243	\$ 74,764			
Existing Depreciation							
Buildings & Improvements			\$ 198,432	\$ 198,432			
Computer Equipment			2,745	2,745			
Furniture & Fixtures			3,114	1,564			
Land Improvements			45,400	45,400			
Leasehold Improvements			779,387	729,019			
Machinery & Equipment			126,972	113,608			
Total Existing Depreciation			\$ 1,156,051	\$ 1,090,769			
Total Depreciation			\$ 1,188,294	\$ 1,165,533			

Recology San Francisco
 Rate Application, Schedule J
Insurance Expenses

	Actual		Projection RY 2013	Rate Application RY 2014
	RY 2011	RY 2012		
Liability Insurance	\$ 959,008	\$ 820,537	\$ 874,701	\$ 936,004

Recology San Francisco
 Rate Application, Schedule J.1
Intercompany Processing and Disposal Expenses

	Actual		Rate Per Ton	Projection		Rate Application
	RY 2011	RY 2012		RY 2013	RY 2014	
Tons						
Transfer Station Compostables	142,353	150,211		152,840	156,060	
Transfer Station Brush	4,200	5,126		5,902	5,902	
iMRF/PDRA Sort lines (Processed fines)	21,386	24,179		24,960	25,056	
iMRF/PDRA Sort lines (Treated wood)	564	1,089		1,684	1,684	
iMRF/PDRA Sort lines (Sheetrock)	2,121	1,908		2,271	2,271	
San Bruno Fire Debris	2,787	-				
Recycle Central & Other Wood	557	441		516	516	
Total I/C Tons	173,968	182,954		188,173	191,490	
I/C Processing Costs						
Transfer Station Compostables	\$ 6,279,736	\$ 6,975,293	\$ 48.64	\$ 7,434,133	\$ 7,590,781	
Transfer Station Brush	131,772	170,813	31.43	185,503	185,503	
iMRF/PDRA Sort lines (Processed fines)	281,899	326,700	13.86	346,008	347,339	
iMRF/PDRA Sort lines (Sheetrock)	61,504	56,358	30.35	68,929	68,929	
Recycle Central Wood	12,242	13,816	26.27	13,564	13,564	
Total I/C Processing Costs	\$ 6,767,154	\$ 7,542,980		\$ 8,048,137	\$ 8,206,115	
Other I/C Processing and Disposal Costs						
San Bruno Fire Debris	\$ 129,869	-	\$	-	-	
iMRF/PDRA Sort lines (Treated wood)	27,913	55,042	\$ 51.80	87,224	87,224	
Compostables contamination	27,432	22,015	47.03	22,749	23,218	
Other	29,795	3,295		-	-	
Hazardous Waste	3,044	4,006		4,000	4,000	
Total Intercompany Processing & Disposal	\$ 6,985,207	\$ 7,627,338		\$ 8,162,110	\$ 8,320,557	

Recology San Francisco
 Rate Application, Schedule J.2
Altamont Landfill Disposal Expenses

2.2%

Inflation

Description	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Base Rate	\$ 9,150	\$ 9,320	\$ 9,470	\$ 9,678	\$ 9,470	\$ 9,678
Cost Recovery	0.520	0.520	0.520	0.520	0.520	0.520
State AB939 Fee	1,400	1,400	1,400	1,400	1,400	1,400
Emergency Storage Tank Fee	0.025	0.025	0.025	0.025	0.025	0.025
Altamont Regulatory Fund	0.270	0.270	0.270	0.270	0.270	0.270
Altamont Disposal Fee Per Ton	\$ 11,365	\$ 11,535	\$ 11,685	\$ 11,893	\$ 11,685	\$ 11,893
Tons	372,751	370,100	366,912	352,773	366,912	352,773
Base Rate	\$ 3,410,668	\$ 3,449,328	\$ 3,474,656	\$ 3,414,260	\$ 3,474,656	\$ 3,414,260
Cost Recovery	193,830	192,452	190,794	183,442	190,794	183,442
State AB939 Fee	521,851	518,139	513,677	493,883	513,677	493,883
Emergency Storage Tank Fee	9,319	9,252	9,173	8,819	9,173	8,819
Altamont Regulatory Fund	100,643	99,927	99,066	95,249	99,066	95,249
Altamont Surcharge	162,210	148,041	166,620	166,620	166,620	166,620
Total - Disposal to Altamont	\$ 4,398,520	\$ 4,417,139	\$ 4,453,986	\$ 4,362,273	\$ 4,453,986	\$ 4,362,273

Recology San Francisco
 Rate Application, Schedule J.3
Outside Disposal Expenses

Inflation

2.20%

Item Description	Actual		Projection	Rate Application
	RY 2011	RY 2012		
Outside Disposal				
Household Hazardous Waste	385,345	375,029	382,000	396,260
Waste Acceptance Control Program	66,866	48,385	48,500	49,567
Universal Waste	119,413	142,926	143,000	148,338
Facilities & Grounds	7,714	10,990	11,750	12,009
PDRA	258,426	242,436	252,000	257,544
Safe Needle Program	206,942	203,759	234,000	239,148
Others	92,494	39,435	33,700	34,441
Total Outside Disposal Costs	\$ 1,137,199	\$ 1,062,960	\$ 1,104,950	\$ 1,137,307

Recology San Francisco
Rate Application, Schedule K.1
Outside Processing Expenses

	Actual		Projection	Rate Application	
	RY 2011	RY 2012		RY 2013	RY 2014
Processing					
Mixed Glass	17,311	17,125	17,503	17,503	
Fines MX	700	1,154	1,291	1,291	
Recovered Compostables			860	13,050	
Street Sweepings			650	780	
Total Processing Tons	18,011	18,279	20,305	32,625	
Processing Fee per Ton					
Mixed Glass	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	
Fines MX	37.00	37.00	37.00	37.00	
Recovered Compostables			65.00	65.00	
Street Sweepings			38.00	38.00	
Processing Expenses					
Mixed Glass	\$ 380,842	\$ 376,750	\$ 385,075	\$ 385,075	
Fines MX	25,900	42,698	47,778	47,778	
Recovered Compostables	-	-	55,900	848,250	
Street Sweepings	-	-	24,700	29,640	
Other Glass	9,338	3,418	-	-	
Other Fiber	4,400	-	-	-	
Total Processing Expenses	\$ 420,480	\$ 422,866	\$ 513,453	\$ 1,310,743	

Recology San Francisco
Rate Application, Schedule K.2
Recycling Purchases

Source-Separated Line Purchases	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
	Tons	Tons	Tons	Tons	Tons	Tons
Aluminum	454	374	365	365		365
Bi-metal/Metal	106	17	16	16		16
Cardboard	24,868	24,543	23,005	23,005		23,005
Coated Book Stock	668	428	367	367		367
HDPE (CRV containers only)	225	99	97	97		97
Mixed Paper	539	250	235	235		235
Mixed Rigid Plastic	147	113	273	273		273
PET	930	683	673	673		673
White Ledger	842	357	209	209		209
Whole Bottle Glass (CRV containers only)	2,846	1,802	1,672	1,672		1,672
Total Tons	31,626	28,668	26,912	26,912		26,912
Price Per Ton						
Aluminum	\$ 3,508	\$ 3,924	\$ 3,931	\$ 3,931		\$ 3,931
Bi-metal/Metal	291	224	532	532		532
Cardboard	158	144	125	125		125
Coated Book Stock	151	139	126	126		126
HDPE (CRV containers only)	686	975	1,115	1,115		1,115
Mixed Paper	151	234	58	58		58
Mixed Rigid Plastic	15	20	59	59		59
PET	1,889	2,117	2,139	2,139		2,139
White Ledger	255	237	201	201		201
Whole Bottle Glass (CRV containers only)	200	199	198	198		198
Recycling Purchases						
Aluminum	\$ 1,593,636	\$ 1,468,307	\$ 1,436,631	\$ 1,436,631		\$ 1,436,631
Bi-metal/Metal	30,852	3,802	8,422	8,422		8,422
Cardboard	3,921,828	3,534,239	2,886,996	2,886,996		2,886,996
Coated Book Stock	100,742	59,551	46,115	46,115		46,115
HDPE (CRV containers only)	154,765	96,899	108,331	108,331		108,331
Mixed Paper	81,594	58,556	13,606	13,606		13,606
Mixed Rigid Plastic	2,141	2,247	16,117	16,117		16,117
PET	1,757,923	1,446,842	1,439,732	1,439,732		1,439,732
White Ledger	214,995	84,569	42,005	42,005		42,005
Whole Bottle Glass (CRV containers only)	569,331	357,739	331,805	331,805		331,805
Intercompany paper purchases	111,294	-				
Inventory adjustment	(14,968)	35,573				
Total Recycling Purchases	\$ 8,524,133	\$ 7,148,323	\$ 6,329,761	\$ 6,329,761		\$ 6,329,761

Recology San Francisco
 Rate Application, Schedule L.1
Freight Expenses

2.20%

	Actual		Projection	Rate Application
	RY 2011	RY 2012		
Freight				
Pier 96 - Cost per load	\$ 195.65	201.82	\$ 224.75	\$ 239.75
Loads Shipped	5,031	4,742	4,622	4,622
Total Pier 96	\$ 984,318	\$ 957,038	\$ 1,038,801	\$ 1,108,132
Transfer Station - Metal Rail Car	7,033	10,122	10,200	10,424
Other Freight	42,693	49,887	49,900	50,998
Total Freight Expense	\$ 1,034,044	\$ 1,017,047	\$ 1,098,901	\$ 1,169,554

Inflation

Recology San Francisco
Rate Application, Schedule L.2
Repair and License Expenses

Item	Actual		Projection	Rate Application
	RY 2011	RY 2012		
			RY 2013	RY 2014
Inflation 2.0% 2.2%				
Licenses & Permits				
Hauling	\$ 168,778	\$ 150,083	\$ 153,085	\$ 156,453
IMRF	13,100	13,451	13,720	14,022
Recycle Central	44,294	46,175	47,099	48,135
Special Waste	4,544	5,502	5,612	5,735
Sustainable Crushing	3,002	3,341	3,408	3,483
Transfer Station	42,469	39,106	39,888	40,765
Truck & Garage	18,377	23,271	23,736	24,258
General & Administrative	2,001	14,573	14,865	15,192
Brisbane License	-	-	2,100,000	2,100,000
Total Licenses & Permits	\$ 296,566	\$ 295,502	\$ 2,401,412	\$ 2,408,043
Parts				
Recycle Central	\$ 666,981	\$ 438,483	\$ 470,870	\$ 481,229
Truck & Garage	636,351	738,626	793,182	810,632
Total Parts	\$ 1,303,332	\$ 1,177,109	\$ 1,264,051	\$ 1,291,860
Tires & Tubes				
Recycle Central	\$ 34,862	\$ 37,306	\$ 34,550	\$ 35,310
Truck & Garage	113,186	138,048	127,851	130,664
Total Tires & Tubes	\$ 148,048	\$ 175,354	\$ 162,401	\$ 165,974
Repairs				
Hauling	\$ 98,461	\$ 106,001	\$ 86,479	\$ 88,382
IMRF	4,798	4,240	3,459	3,535
Recycle Central	76,988	209,362	170,806	174,563
Special Waste	1,430	1,419	1,157	1,183
Sustainable Crushing	16,848	1,834	1,497	1,530
Transfer Station	12,383	21,348	17,417	17,800
Truck & Garage	145,788	179,247	146,237	149,454
General & Administrative	9,146	14,530	11,854	12,115
Total Repairs	\$ 365,842	\$ 537,980	\$ 438,906	\$ 448,562

Recology San Francisco
Rate Application, Schedule L.3
Fuel Expenses

Description	Actual		Projection	Rate Application	
	RY 2011	RY 2012		RY 2013	RY 2014
Total Tons to Altamont	372,751	370,100	366,912	352,773	
Bio-Diesel Fuel Calculation:					
Total Number of Long Haul Bio-Diesel Trucks	18	19	22	16	
Tons hauled by Bio-Diesel Trucks	323,202	341,716	366,912	316,143	
Tons per Load	24.35	24.48	24.42	24.42	
Loads	13,273	13,959	15,025	12,946	
Roundtrip Miles per Load	110	110	110	110	
Total Miles	1,460,050	1,535,488	1,652,756	1,424,069	
Average MPG	4.8	4.8	4.8	4.8	
Total Gallons	304,177	319,893	344,324	296,681	
Fully Taxed price/gallon	\$ 3.45	\$ 3.87	\$ 3.95	\$ 3.95	
Diesel Fuel Cost	\$ 1,048,280	\$ 1,236,955	\$ 1,359,262	\$ 1,171,185	
LNG Fuel Calculation:					
Total Number of Long Haul LNG Trucks	6	3	-	5	
Tons hauled by LNG Trucks	49,549	28,384	0	36,630	
LNG Tons Per Load	24.35	24.48	0.00	24.42	
Loads	2,035	1,159	0	1,500	
Roundtrip Miles per Load	110	110	0.00	110.00	
Total Miles	223,833	127,541	0	165,000	
Average MPG	2.8	2.8	0.0	2.8	
Total Gallons	80,812	46,047	0	59,571	
Fully Taxed price/gallon	\$ 1.65	\$ 1.58	\$ 1.29	\$ 1.29	
LNG Fuel Cost	\$ 133,163	\$ 72,915	\$ -	\$ 77,101	
Commodity Tons Hauled	240,051	254,410	258,380	273,886	
Bio-Diesel Fuel Calculation:					
Total Number of Long Haul Bio-Diesel Trucks	27	24	24	25	
Tons hauled by Bio-Diesel Trucks	240,051	254,410	258,380	273,886	
Tons per Load	21.54	21.64	21.59	21.59	
Loads	11,144	11,757	11,968	12,686	
Roundtrip Miles per Load	165	162	162	162	
Total Miles	1,839,343	1,905,635	1,939,764	2,056,179	
Average MPG	4.8	4.8	4.8	4.8	
Total Gallons	383,196	397,007	404,118	428,371	
Fully Taxed price/gallon	\$ 3.45	\$ 3.87	\$ 3.95	\$ 3.95	
Bio-Diesel Fuel Cost for Commodity Tons	\$ 1,320,602	\$ 1,535,137	\$ 1,595,304	\$ 1,691,046	

Recology San Francisco
Rate Application, Schedule L.3
Fuel Expenses

Description	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Diesel fuel gallons - Dozers & Loaders						
Cost per gallon	\$ 124,196	\$ 138,488	\$ 138,488	\$ 138,488	\$ 4.17	\$ 4.17
Diesel fuel cost	\$ 3,74	\$ 4,11	\$ 4,17	\$ 4,17	\$	\$
Diesel fuel cost	\$ 464,621	\$ 568,878	\$ 577,647	\$ 577,647	\$	\$ 577,647
Dyed diesel fuel gallons - Pier 96						
Cost per gallon	\$ 35,653	\$ 34,662	\$ 33,700	\$ 33,700	\$ 3.89	\$ 3.89
Diesel fuel cost	\$ 3,36	\$ 3,81	\$ 3,89	\$ 3,89	\$	\$
Diesel fuel cost	\$ 119,634	\$ 132,224	\$ 130,973	\$ 130,973	\$	\$ 130,973
Bio-Diesel fuel gallons - Other Trucks						
Cost per gallon	\$ 19,847	\$ 29,762	\$ 29,762	\$ 29,762	\$ 3.95	\$ 3.95
Bio-Diesel fuel cost	\$ 3,45	\$ 3,87	\$ 3,95	\$ 3,95	\$	\$
Bio-Diesel fuel cost	\$ 68,400	\$ 115,084	\$ 117,491	\$ 117,491	\$	\$ 117,491
Propane fuel gallons - Forklifts						
Cost per gallon	\$ 28,226	\$ 28,360	\$ 28,360	\$ 28,360	\$ 2.97	\$ 2.97
Unleaded fuel cost	\$ 3,24	\$ 3,08	\$ 2,97	\$ 2,97	\$	\$
Unleaded fuel cost	\$ 91,397	\$ 87,446	\$ 84,229	\$ 84,229	\$	\$ 84,229
Unleaded fuel gallons						
Cost per gallon	\$ 14,203	\$ 6,826	\$ 6,826	\$ 6,826	\$ 3.65	\$ 3.65
Unleaded fuel cost	\$ 3,36	\$ 3,55	\$ 3,65	\$ 3,65	\$	\$
Unleaded fuel cost	\$ 47,691	\$ 24,266	\$ 24,930	\$ 24,930	\$	\$ 24,930
Recology San Francisco oil gallons						
Cost per gallon	\$ 28,878	\$ 30,103	\$ 30,100	\$ 30,100	\$ 2.75	\$ 2.75
Recology San Francisco oil cost	\$ 2,56	\$ 2,75	\$ 2,75	\$ 2,75	\$	\$
Recology San Francisco oil cost	\$ 73,943	\$ 82,741	\$ 82,733	\$ 82,733	\$	\$ 82,733
Sustainable Crushing fuel gallons						
Cost per gallon	\$ 16,741	\$ 17,529	\$ 17,600	\$ 17,600	\$ 4.28	\$ 4.28
Sustainable Crushing fuel cost	\$ 3,62	\$ 3,99	\$ 4,28	\$ 4,28	\$	\$
Sustainable Crushing fuel cost	\$ 60,524	\$ 69,970	\$ 75,328	\$ 75,328	\$	\$ 75,328
Sustainable Crushing Oil gallons						
Cost per gallon	\$ 0	\$ 45	\$ 45	\$ 45	\$ 7.71	\$ 7.71
Oil cost	\$ -	\$ 7,71	\$ 7,71	\$ 7,71	\$	\$
Oil cost	\$ -	\$ 347	\$ 347	\$ 347	\$	\$ 347
LNG Surcharge Accrual(Reversal)						
Federal & State Tax Credits	\$ 220,965	\$ (262,833)	\$ -	\$ -	\$	\$
	\$ (35,297)	\$ (32,831)	\$ (33,000)	\$ (33,000)	\$	\$ (33,000)
Total Fuel cost	\$ 3,613,923	\$ 3,630,298	\$ 4,015,244	\$ 4,015,244	\$	\$ 4,000,009

Recology San Francisco
 Rate Application, Schedule L.4
Bridge Toll Expenses

	Actual		Projection	Rate Application
	RY 2011	RY 2012		
Refuse Hauling Bridge Tolls				
Loads Using Diesel	13,273	13,959	15,025	12,946
Loads Using LNG	2,035	1,159	-	1,500
Total Loads	15,308	15,118	15,025	14,446
Number of Toll Crossings per Load	1	1	1	1
Total Toll Crossings	15,308	15,118	15,025	14,446
Bridge Toll per Crossing	\$ 11.25	\$ 18.00	\$ 25.00	\$ 25.00
Total Bridge Tolls Refuse	\$ 172,215	\$ 272,132	\$ 375,626	\$ 361,152
Commodity Hauling Bridge Tolls				
Loads Using Diesel	11,144	11,757	11,968	12,686
Total Loads	11,144	11,757	11,968	12,686
Number of Toll Crossings per Load	1.46	1.33	1.40	1.40
Total Toll Crossings	16,325	15,596	16,755	17,760
Bridge Toll per Crossing	\$ 11.25	\$ 18.00	\$ 25.00	\$ 25.00
Total Bridge Tolls Commodity Hauling	\$ 183,655	\$ 280,722	\$ 418,865	\$ 444,003
Other Operating Bridge Tolls	95	156	125	125
Total Bridge Tolls	\$ 355,965	\$ 553,010	\$ 794,616	\$ 805,280

Recology San Francisco
 Rate Application, Schedule L.5
Contract Services Expenses

Inflation

2.2%

	Actual		Projection	Rate Application	
	RY 2011	RY 2012		RY 2013	RY 2014
Artist in Residence	\$ 31,695	\$ 21,647	\$ 20,399	\$ 20,848	
ELC	5,654	11,207	9,136	9,337	
General & Administration	2,004	8,016	4,689	4,792	
Hazardous Waste	-	3,215	-	-	
Human Resources	28,434	72,322	1,820	-	
Pier 96	1,957	18,739	55,598	73,064	
Sustainable Crushing	(54,334)	161,899	49,893	-	
Transfer Station	117,166	141,040	190,364	204,452	
Truck & Garage	15,830	45,299	91,106	-	
Total Contract Services	\$ 148,407	\$ 483,384	\$ 423,005	\$ 312,493	

Recology San Francisco
 Rate Application, Schedule L.6
Utility Expenses

2.20%

Inflation

Description	Actual		Projection RY 2013	Rate Application RY 2014
	RY 2011	RY 2012		
Electricity Usage / kW h				
Pier 96	3,213,152	3,508,960	3,826,436	3,397,748
iMRF	1,181,434	1,164,589	1,131,416	1,131,416
Transfer Station	922,802	870,060	892,840	791,352
PDRA	403,282	437,820	475,800	475,800
Alana Shop	156,240	186,400	188,960	188,960
General & Administration	131,162	94,206	71,430	71,430
Hazardous Waste	65,291	65,948	68,411	68,411
Waste Acceptance Control Program	47,640	53,360	52,240	52,240
Artist in Residence Program	6,729	9,698	9,482	9,482
Total kW h	6,127,732	6,391,041	6,717,016	6,186,840
Electricity Cost per kW h				
Pier 96	\$ 0.168	\$ 0.158	\$ 0.169	\$ 0.173
iMRF	0.158	0.161	0.159	0.163
Transfer Station	0.139	0.151	0.152	0.155
PDRA	0.177	0.162	0.152	0.155
Alana Shop	0.160	0.162	0.162	0.165
General & Administration	0.152	0.180	0.153	0.157
Hazardous Waste	0.173	0.176	0.179	0.183
Waste Acceptance Control Program	0.184	0.188	0.184	0.188
Artist in Residence Program	0.187	0.185	0.185	0.189
Electricity Costs				
Pier 96	\$ 538,515	\$ 553,868	\$ 647,047	\$ 587,197
iMRF	186,719	186,997	180,231	184,196
Transfer Station	128,145	131,251	135,364	122,617
PDRA	71,241	70,986	72,378	73,970
Alana Shop	24,983	30,172	30,586	31,258
General & Administration	19,993	16,935	10,945	11,186
Hazardous Waste	11,312	11,635	12,250	12,519
Waste Acceptance Control Program	8,760	10,008	9,587	9,798
Artist in Residence Program	1,259	1,794	1,753	1,791
Total Electricity	\$ 990,927	\$ 1,013,646	\$ 1,100,141	\$ 1,034,533

Recology San Francisco
Rate Application, Schedule L.6
Utility Expenses

Description	Actual			Projection		Rate Application	
	Inflation			2.20%			
	RY 2011	RY 2012	RY 2013	RY 2013	RY 2014	RY 2013	RY 2014
Water Usage / Gallons							
Transfer Station	3,535,278	4,300,551	4,236,149	4,236,149	4,236,149		4,236,149
PDRA	3,287,834	3,581,798	3,247,442	3,247,442	3,247,442		3,247,442
Organics Annex	550,528	615,604	599,896	599,896	599,896		599,896
Pier 96	688,085	468,024	195,044	195,044	195,044		195,044
General & Administration	987,360	474,980	311,168	311,168	311,168		311,168
Hazardous Waste	119,680	73,304	61,336	61,336	61,336		61,336
Environmental Learning Center	-	17,204	-	-	-		-
Artist in Residence Program	33,660	30,668	27,676	27,676	27,676		27,676
Sustainable Crushing	2,711,500	2,096,644	3,054,832	3,054,832	3,054,832		3,054,832
Total Gallons	11,913,925	11,658,777	11,733,542	11,733,542	11,733,542		11,733,542
Water Cost per Gallon							
Transfer Station	\$ 0.021	\$ 0.023	\$ 0.027	\$ 0.027	\$ 0.027		\$ 0.027
PDRA	0.017	0.022	0.028	0.028	0.029		0.029
Organics Annex	0.018	0.020	0.019	0.019	0.020		0.020
Pier 96	0.017	0.022	0.027	0.027	0.027		0.027
General & Administration	0.007	0.006	0.011	0.011	0.012		0.012
Hazardous Waste	0.018	0.031	0.045	0.045	0.046		0.046
Environmental Learning Center	-	0.017	-	-	-		-
Artist in Residence Program	0.009	0.011	0.036	0.036	0.036		0.036
Sustainable Crushing	0.006	0.010	0.007	0.007	0.007		0.007
Water Costs							
Transfer Station	\$ 74,401	\$ 100,700	\$ 112,941	\$ 112,941	\$ 115,426		\$ 115,426
PDRA	54,762	79,124	91,175	91,175	93,180		93,180
Organics Annex	9,694	12,523	11,461	11,461	11,713		11,713
Pier 96	11,533	10,163	5,240	5,240	5,355		5,355
General & Administration	6,877	2,786	3,548	3,548	3,626		3,626
Hazardous Waste	2,155	2,293	2,765	2,765	2,826		2,826
Environmental Learning Center	1,379	292	380	380	-		-
Artist in Residence Program	293	332	988	988	1,010		1,010
Sustainable Crushing	17,397	20,620	22,065	22,065	22,551		22,551
Total Water	\$ 178,490	\$ 228,832	\$ 250,562	\$ 250,562	\$ 255,686		\$ 255,686

Recology San Francisco
 Rate Application, Schedule L.6
Utility Expenses

Inflation 2.20%

Description	Actual			Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2013	RY 2014	RY 2013	RY 2014
Natural Gas Costs							
Waste Acceptance Control Program	\$ 2,646	\$ 2,586	\$ 2,476	\$ 2,476	\$ 2,530	\$ 2,476	\$ 2,530
Hazardous Waste	2,404	2,432	2,228	2,228	2,277	2,228	2,277
General & Administration	19	-	-	-	-	-	-
Total Natural Gas	\$ 5,069	\$ 5,018	\$ 4,704	\$ 4,704	\$ 4,807	\$ 4,704	\$ 4,807
Total Recology San Francisco Utilities	\$ 1,174,487	\$ 1,247,496	\$ 1,355,407	\$ 1,355,407	\$ 1,295,026	\$ 1,355,407	\$ 1,295,026

Recology San Francisco
 Rate Application, Schedule M.1
Professional Services Expenses

Inflation

Item	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Accounting Fees	\$ 67,615	\$ 72,234	\$ 73,679	\$ 75,300		
Engineering Fees	166,457	593,499	605,369	738,687		
Legal Fees	986,387	607,769	827,078	864,614		
Other Professional Fees	350,799	197,499	274,149	280,180		
Total Professional Services	\$ 1,571,258	\$ 1,471,000	\$ 1,780,274	\$ 1,958,781		

2.2%

2.0%

Recology San Francisco
 Rate Application, Schedule M.2
Corporate Services Expenses

Item Description	Actual		Projection		Rate Application	
	RY 2011	RY 2012	RY 2013	RY 2014	RY 2013	RY 2014
Corporate Services						
Corporate Management	\$ 154,663	\$ 129,375	\$ 133,774	\$ 138,322		
Sustainability	28,654	17,102	17,684	18,285		
Human Resources	342,038	330,476	341,713	353,331		
Corporate Accounting Services	227,268	178,938	185,022	191,312		
Environmental Compliance	53,429	39,680	41,029	42,424		
IT Services	523,184	546,703	565,291	584,511		
Total Corporate Services	\$ 1,329,236	\$ 1,242,274	\$ 1,284,512	\$ 1,328,185		

3.40%

3.40%

3.40%

Recology San Francisco
 Contingent Schedule 1 - Zero Waste Facility Expansion
 Rate Application, Schedule B
Rate Calculations - Processing and Disposal

Recology San Francisco		RY 2014
Operating Ratio Expenses	\$	1,402,500
Calculated Operating Ratio Expenses		1,402,500
<i>Allowed Operating Ratio</i>		<i>91.00%</i>
Operating Expense with Operating Ratio	\$	1,541,209
Diversion Incentive		34,634
Net Additional Revenue Requirement	\$	1,575,843
Percent Increase		1.60%
Current Tipping Fee per Ton	\$	149.84
Increase in Tipping Fee per Ton	\$	2.39
Total Tons		658,521
Operating Expenses with 89% OR	\$	1,575,843
Variance to 91% OR		34,634
Net Revenue Requirement @ 89% OR	\$	1,575,843

Recology San Francisco
 Contingent Schedule 1 - Zero Waste Facility Expansion
 Rate Application, Schedule **F.1**
Projected Tipping Fee Revenues

	RY 2014
<u>Tonnage Charged by Tipping Fee</u>	
Recology Sunset Scavenger/Golden Gate	
Recycle Central	133,137
Compostables	157,751
iMRF	54,189
Trash	255,133
Other	7,254
Subtotal (Recology Sunset Scavenger/Golden Gate)	607,464
Public Customers	33,534
Commercial Customers	16,011
Total San Francisco Tons	657,009
Non-San Francisco Tons	1,512
Total Tons Charged by Tipping Fee	658,521
<i>Rate Per Ton</i>	<i>\$ 2.39</i>
<u>Transfer and Processing Revenue</u>	
Recology Sunset Scavenger/Golden Gate	
Recycle Central	318,597
Compostables	377,499
iMRF	129,673
Trash	610,532
Other	17,359
Subtotal (Recology Sunset Scavenger/Golden Gate)	1,453,661
Public Customers	80,248
Commercial Customers	38,315
Total San Francisco Revenue from Tipping Fee	1,572,224
Non-San Francisco Revenue from Tipping Fee	3,618
Total Revenue from Tipping Fee	1,575,843

Recology San Francisco
 Contingent Schedule 1 - Zero Waste Facility Expansion
 Rate Application, Schedule D
Total Operating Expenses

Item Description	RY 2014
Payroll	Projected Expense
Payroll Taxes	
Pension	
Health Insurance	
Workers Compensation	
Total Payroll & Related	\$ -
Bad Debt	
Bridge Tolls	
Building & Facility Repair	
Contract Services	
Corporate Accounting Services	
Corporate Management	
Depreciation	
Environmental Compliance	
Freight	
Fuel	
Human Resources	
I/C Processing & Disposal	
IT Services	
Lease	
Liability Insurance	
Licenses & Permits	
O/S Disposal	
O/S Equipment Rental	
O/S Processing	
Office	
Parts	
Postage	
Professional Services	
Property Rental	1,237,500
Repairs & Maintenance	
Security & Janitorial	
Supplies	
Sustainability	
Taxes	165,000
Telephone	
Tires & Tubes	
Utilities	
Other	
Total Operating Expenses	\$ 1,402,500

Recology San Francisco
 Contingent Schedule 2 - West Wing Project
 Rate Application, Schedule B
Rate Calculations - Processing and Disposal

	RY 2014
Operating Ratio Expenses	\$ 330,000
Calculated Operating Ratio Expenses	330,000
<i>Allowed Operating Ratio</i>	<i>91.00%</i>
Operating Expense with Operating Ratio	\$ 362,637
<u>Non-Operating Ratio Expense</u>	
Diversion Incentive	\$ 8,149
Net Revenue Requirement	\$ 370,787
<i>Percent Increase</i>	<i>0.38%</i>
Current Tipping Fee per Ton	\$ 149.84
Increase in Tipping Fee per Ton	\$ 0.56
Total Revenue Tons	658,521
Operating Expenses with 89% OR	\$ 370,787
Variance to 91% OR	8,149
Net Revenue Requirement @ 89% OR	\$ 370,787

Recology San Francisco
Contingent Schedule 2 - West Wing Project
 Rate Application, Schedule F.1
Projected Tipping Fee Revenues

	RY 2014
<u>Tonnage Charged by Tipping Fee</u>	
Recology Sunset Scavenger/Golden Gate	
Recycle Central	133,137
Compostables	157,751
iMRF	54,189
Trash	255,133
Other	7,254
Subtotal (Recology Sunset Scavenger/Golden Gate)	607,464
Public Customers	33,534
Commercial Customers	16,011
Total San Francisco Tons	657,009
Non-San Francisco Tons	1,512
Total Tons Charged by Tipping Fee	658,521
<i>Rate Per Ton</i>	<i>0.56</i>
	\$
<u>Transfer and Processing Revenue</u>	
Recology Sunset Scavenger/Golden Gate	
Recycle Central	74,964
Compostables	88,823
iMRF	30,511
Trash	143,655
Other	4,084
Subtotal (Recology Sunset Scavenger/Golden Gate)	342,038
Public Customers	18,882
Commercial Customers	9,015
Total San Francisco Revenue from Tipping Fee	369,935
Non-San Francisco Revenue from Tipping Fee	851
Total Revenue from Tipping Fee	370,787

Recology San Francisco
 Contingent Schedule 2 - West Wing Project
 Rate Application, Schedule D
Total Operating Expenses

Item Description	Sch Ref	RY 2014 Projected Expense
Payroll		
Payroll Taxes		
Pension		
Health Insurance		
Workers Compensation		
Total Payroll & Related		\$ -
Bad Debt		
Bridge Tolls		
Building & Facility Repair		
Contract Services		
Corporate Accounting Services		
Corporate Management		
Depreciation	H.1	330,000
Environmental Compliance		
Freight		
Fuel		
Human Resources		
I/C Processing & Disposal		
IT Services		
Lease		
Liability Insurance		
Licenses & Permits		
O/S Disposal		
O/S Equipment Rental		
O/S Processing		
Office		
Parts		
Postage		
Professional Services		
Property Rental		
Repairs & Maintenance		
Security & Janitorial		
Supplies		
Sustainability		
Taxes		
Telephone		
Tires & Tubes		
Utilities		
Other		
Total Operating Expenses		\$ 330,000

Non-Operating Ratio Expenses		
Disposal		
Operating Ratio Expenses		\$ 330,000

Recology San Francisco
Contingent Schedule 2 - West Wing Project
Rate Application, Schedule H.1
Depreciation and Lease Expenses

Description	RY 2014
Depreciation	\$ 330,000

Recology San Francisco
 Contingent Schedule 2 - West Wing Project
 Rate Application, Schedule H.3
Depreciation Expenses

Description	Life	
	RY 2014	RY 2014
Building Construction Cost	6,600,000	330,000
Total Depreciation	\$ 6,600,000	\$ 330,000

MODIFICATIONS TO THE STANDARDIZED FORMAT

The 2006 Director's Report (page 42) recommended that "Staff should also review the form and usefulness of the standardized application form and to propose changes to the form." In the interests of improving and simplifying the rate process, Recology recommends changes to the rate schedules as described below. The changes refer to both the rate schedules used in the 2006 Rate Application and the rate schedules listed in DPW Order No. 173,617, "Rate Adjustment Standardized Format."

General

The 2013 rate application presents Recology Sunset Scavenger and Recology Golden Gate (RSS/RGG) as a single entity for rate-setting purposes. Financial and other information for the two collection companies has been combined in a single set of schedules.

We also propose combining all Recology San Francisco (RSF) operations into a single schedule for a given subject, where they have not previously been combined. This can be accomplished without sacrificing any detail. For example, rather than have separate capital Schedules H.2.1 and H.2.2 for the Tunnel & Beatty operations and Recycle Central, they would be in a single Schedule H.2 with sufficient information to identify the location. Similarly, there were previously separate fuel cost Schedules L.3.1 and L.3.2 for the Tunnel & Beatty operations and Recycle Central. They would be combined in a single Schedule L.3 showing information for usage at each site. Again, this is largely a legacy issue. In the 2001 rate application, separate subsidiaries operated the Tunnel & Beatty and Recycle Central sites. These operations have since been combined under Recology San Francisco. In addition, Recycle Central was being submitted for approval in 2001, rather than as an ongoing operation.

Single schedules in a section will simply be labeled by the corresponding letter designation. Numerical references to multiple schedules in the section will be eliminated, for example, Schedule X vs. Schedule X.1, where there is only a single schedule in the section.

Schedule labeling will be condensed to be sequential. For example, if Schedule Y.2 is eliminated, we would move up Schedule Y.3 to be the new Y.2, rather than have a gap in the sequence.

Schedule A

Schedule A has been reformatted for purposes of simplification and to reflect proposed changes in the residential and apartment rate structures.

Schedule B

Schedule B remains functionally the same; however, there are several changes in the calculation methodology as a consequence of the proposed new residential and apartment rate structures. There will be three Schedule B's for the collection companies. Schedule B.1 uses the traditional calculation methodology to compute the total change in revenues required. Schedule B.2 calculates the residential rates under the new structure. Schedule B.3 presents revenue details supporting Schedules B.1 and B.2.

Schedule D

Schedule D now incorporates annualized actual expenses for the first seven months of the current rate year (July 2012 through January 2013) and compares them to projections for the current rate year (projected expenses may differ from annualized expenses due to seasonality, partial year changes in operations, or other factors). In addition, expenses items following labor expenses are presented in alphabetical order (with the exception of the final category, "Other Expenses").

Schedule E

In the 2001 and 2006 rate applications, Schedule E contained tonnage information and programmatic cost estimates. In part, the programmatic cost estimates are the legacy of introducing the Fantastic 3 programs for approval in 2001. Unfortunately, breaking down total system costs by program requires numerous allocations – often allocations of allocations. As a consequence, the programmatic cost breakdowns are very rough estimates at best. In the 2006 rate process, much time and effort was spent clarifying questions regarding the programmatic cost estimates and the associated methods of allocation.

We recommend eliminating the programmatic cost estimates and changing Schedule E to be a tonnage-only schedule appearing in a single location under Recology San Francisco. This has been the historical location for detailed tonnage information. To assist in the transition, we will prepare an exhibit with programmatic cost estimates in the event the City wishes to review such information.

Schedule F

In the 2006 Rate Application, Schedule F's were condensed to some extent from those used in the 2001 Rate Application. The 2001 Rate Application included the proposal of essentially a complete change to the collection system in the City (the Fantastic 3 system) and the proposal of two major recycling facilities. Separate schedules for revenue changes associated with program implementation were included, in case the proposed new collection system and/or facilities were not approved. These separate revenue schedules were no longer needed after the programs and facilities were approved and became operational. In addition, a schedule for projected commodity prices was incorporated into the schedule for projected recycling revenues.

Using the 2006 Rate Application Schedule F's as a starting point, the 2013 Rate Application will make several more simplifying changes. Projected Changes to Revenue at Current Rates (old Schedule F.2) will be incorporated into Historical and Projected Revenue at Current Rates (Schedule F.1). All RSS/RGG revenue is in a single schedule (Schedule F.1), combining the information previously presented on old Schedules F.1 and F.2. Recycling revenues from all of RSF's operations will be combined in a single schedule (Schedule F.3).

Conversely, Impound Account schedules will be provided for both RSS/RGG and RSF to reflect the specific assignment of cost components in the Impound Account (Schedule F.2). Previously, the only Impound Account schedule was under RSF. The City funding component of the Impound Account will be given under RSS/RGG, and the landfill disposal component of the Impound Account will be given under RSF. The Impound Account schedule for RSF includes all of the expenses, plus a summary section to show the breakdown between RSF and RSS/RGG.

Schedule G

We propose minor changes to the labor categories in Schedule G to better reflect our actual labor categories. The proposed categories show union and non-union employees in separate classifications, whereas previous categories sometimes included both together. We are also able to present any historical data in the proposed categories where needed. The changes are shown in the following table.

Company	Previous	Proposed
Sunset and Golden Gate	Managers & Supervisors	Exempt Non-Union
	Operations Coordinators	--
	Administration	Non-Exempt Non-Union
	Union – Driver – Commercial	Union – Driver/Helper
	Union – Mechanics	Union – Shop
	Union – Clerical	Union – Clerical
	Other	--
	Recology San Francisco	Managers & Supervisors
Administration		Non-Exempt Non-Union
Driver		Union – Driver/Helper
Equipment Operator		Union – Equipment Operator
Mechanic		Union – Shop/Facility
Sorter		Union – Sorter/Material Handler
Technician		Union – Technician
Utility Person		Union – Utility Person
Weighmaster		Union – Weighmaster/Dispatcher
Other		Union – Clerical

Schedule J

A schedule in the 2001 Rate Application, named "Disposal Charges to B&J Landfill" was changed to "Intercompany Disposal Charges to Hay Road Landfill" in the 2006 Rate Application. In the 2013 Rate Application, the corresponding schedule will be titled "Intercompany Processing & Disposal Costs" (RSF Schedule J.1).

Schedule L

The collection companies no longer have any extraordinary hauling costs, so there will only be a hauling cost schedule for RSF. All of the materials collected by the collection companies are brought to RSF's facilities for processing and hauling.

Schedule M

Schedule M contains a mix of sub-schedules. Some of these have real little value in our opinion, while others are clearly of interest to the City. The collection companies have Schedules M.1, M.2, and M.3. Recology San Francisco has these same schedules, along with a Schedule M.5.

Schedule M.1 contains a breakdown of supplies, office expenses, and telephone allocated by program. We recommend eliminating this schedule.

Schedule M.2 presents a breakdown of Professional Service expenses. We recommend keeping this schedule.

Schedule M.3 presents a breakdown of Corporate Service expenses. We recommend keeping this schedule.

Schedule M.5 for Recology San Francisco shows a breakdown of tax expenses allocated by program. We recommend eliminating this schedule.

Schedule N

Since Schedule N previously presented Truck & Garage and General & Administrative expense allocations to be used in the programmatic cost estimates for Schedule E, it is no longer needed if the programmatic cost estimates are eliminated from Schedule E.