

Exhibit A: Rate Modification Examples

Collection Component Adjustment

The collection component listed in Attachment B will be increased or decreased by the amount of the CPI change: $NCC = PCC \times [1 + (nCPI - oCPI) / oCPI]$

Where

NCC	=	The new collection charge component of the Customer rate for a particular service level
PCC	=	The previous collection charge component of the Customer rate for a particular service level
nCPI	=	The most recent CPI value
oCPI	=	The previous period's CPI value

If the previous CPI is 143.2, the new CPI is 149.3 the new collection component of the rate will increase from \$13.20 to \$13.76 on January 1, 2024.

$$\text{New Collection Component} = \$13.20 \times [1 + (149.3 - 143.2) / 143.2] = \mathbf{\$13.76}$$

Annual CCR Component Adjustment

The Annual CCR component of the Customer charges listed in Attachment B reflects the combination of the Per-Ton FAC and the County Tipping Fee. Any increase or decrease in the Annual CCR will not become effective until the new Annual CCR charges become effective and are actually charged to the Contractor. The Annual CCR component of each service level will be adjusted as follows:

Step 1: $nFAC = FAC / TONS$

Step 2: $nCCR = nFAC + NTF$

Step 3: $A = ODC \times (nCCR / oCCR)$

Step 4: $NDC = A + [(A - ODC) \times CETR]$

nFAC	=	The new Per-Ton FAC
FAC	=	The new overall King County FAC
TONS	=	The King County estimated commercial garbage tonnage for the upcoming year
nCCR	=	The new Annual CCR for the upcoming year, dollars per ton
NTF	=	The new County Tipping Fee, dollars per ton

Where

A	=	The new pre-excise tax adjusted Annual CCR component
ODC	=	The old Annual CCR component of the Customer rate for a particular service level;
oCCR	=	The old Annual CCR, dollars per ton
NDC	=	The new Annual CCR component of the Customer rate for a particular service level
CETR	=	Current excise tax rate (the current State excise tax rate; 0.0175 used for this example).

For example, using an initial one 35-gallon cart rate of \$20.20 per month:

If the 2024 King County FAC is \$22,614,181 and the estimated 2024 tonnage is 656,580, then the new Per-Ton FAC would be \$34.44. If the new County Tipping Fee is \$150.83 per ton, then the new Annual CCR would be \$185.27 per ton starting January 1, 2024.

If the old disposal component is \$4.73, the old Annual CCR is \$168.68 per ton, and the State Excise Tax rate is 1.75%, the new Annual CCR component of the Customer rate will be \$7.70.

New Per-Ton FAC = $\$22,614,181 / 656,580 = \34.44 per ton

New Annual CCR = $\$34.44 + \$150.83 = \$185.27$ per ton

New Pre-Excise Tax Adjusted Annual CCR Component = $\$7.00 \times (\$185.27 / \$168.68) = \7.69

New Annual CCR Component = $\$7.69 + [(\$7.69 - \$7.00) \times 1.75\%] = \mathbf{\$7.70}$

Thus, the new Customer charge for one 35-gallon cart per week Residential Curbside as of January 1, 2024 will be \$13.76 plus \$7.70, equaling \$21.46 per month.