

Recology Material Mistakes or Errors Disclosures (May 2, 2022)

Identified Confirmed Material Mistakes or Errors


In April 2022, Recology San Francisco, Sunset Scavenger Company, and Golden Gate Disposal & Recycling Company (collectively, "SF Recology Companies") identified the Suspected Material Mistakes or Errors set forth in Attachment A. The SF Recology Companies investigated the Suspected Material Mistakes or Errors and have determined that they are Confirmed Material Mistakes or Errors.

The causes of these Confirmed Material Mistakes or Errors are set forth in Attachment A.

The SF Recology Companies plan to address the Material Mistakes or Errors in Attachment A by issuing revised Rate Reports by the end of June 2022.

The Material Mistakes or Errors in Attachment A are errors in the actual and projected revenues, expenses, sources of funds, and uses of funds provided in the Rate Reports. Because these are errors only in the reporting of certain amounts, there is no impact on the rates charged to ratepayers.

I declare under penalty of perjury, under the laws of the State of California, that all statements contained in this Disclosure of Material Mistake or Error are true and correct, to the best of my knowledge. Executed this 2nd day of May 2022, in San Francisco, California.

DocuSigned by:

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Terry Duong
Group Controller, Recology San Francisco Companies

Attachment A

Material Error Disclosure
Increase (Decrease)
RY14 - RY21

#	Rate App	Rate Reports	SSGG / RSF	Rate Report Table	Item	Description	Cause	Rate App		Rate Report - Actuals							Rate Report - Projections								
								RY18	RY14	RY15	RY16	RY17	RY18	RY19	RY20	RY21	RY14	RY15	RY16	RY17	RY18	RY19	RY20	RY21	
1	No	Yes	SSGG	Table 6	Diversion Incentive	Addition of amounts funded to diversion incentive missing from projections	Clerical error											(3,736,734)	(3,820,437)	(3,859,404)	(3,920,760)				
2	No	Yes	RSF	Table 7	Diversion Incentive	Addition of amounts funded to diversion incentive missing from projections	Clerical error											(2,414,045)	(2,485,259)	(2,527,752)	(2,569,716)				
3	No	Yes	RSF	Table 7	Zero Waste Incentive	Reimbursements from ZWI for capital projects is not part of ongoing operations and should be excluded (RY16)	Prior reporting format did not reflect the true economics of the release of funds from ZWI to offset capital expenditures				(5,778,916)														
4	No	Yes	RSF	Table 7	Non-Rate Revenue	Reimbursements from ZWI for capital projects is not part of ongoing operations and should be excluded (RY17)	Prior reporting format did not reflect the true economics of the release of funds from ZWI to offset capital expenditures					(3,200,551)													
5	No	Yes	RSF	Table 7	Zero Waste Incentive Adjustment	Reimbursements from ZWI for an operating project is part of ongoing operations and should be included	Clerical error			463,452															
6	No	Yes	RSF	Table 10	Amortization of ZWI Funding of Capital Expenditures	To account for portion of the ZWI funding of capital expenditures that offsets the depreciation/lease expense for related assets	Prior reporting format did not reflect the true economics of the release of funds from ZWI to offset capital expenditures					(1,144,833)	(1,490,014)	(1,512,993)	(1,671,337)	(2,585,225)									
7	No	Yes	RSF	Table 10	Depreciation	To add back adjustment made to depreciation expense for offset of ZWI funding amortization	Prior reporting format did not reflect the true economics of the release of funds from ZWI to offset capital expenditures						1,612,228	1,717,771	2,393,923	1,547,057									
8	No	Yes	RSF	Table 10	Other	Removal of business development costs	Clerical error				(2,188,223)		1,853,151												
9	No	Yes	RSF	Table 10	Lease	Remove interest portion of intercompany lease expense on assets offset by ZWI funding	Prior reporting format did not reflect the true economics of the release of funds from ZWI to offset capital expenditures								(18,418)	(46,588)									
10	No	Yes	SSGG	Table 9	I/C Disposal	Error in calculation of increase in projected cost for COLA	Clerical error													19,774	2,527,811				
11	No	Yes	SSGG	Table 9	I/C Processing	Error in calculation of increase in projected cost for COLA	Clerical error													26,004	3,324,226				